

HOME APPLIANCES PTY LIMITED

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Home Appliances acquires IAG Appliances – Cooking Business Continues Expansion

Integrated Appliance Group (IAG) and **Euromaid** are merging following the successful acquisition by Euromaid's parent company, Home Appliances of IAG. This combination creates one of Australia's largest and most successful portfolios of cooking appliance brands.

Both Euromaid and IAG had record financial years to June 2010. Home Appliances seeks to be Australia's leading supplier of quality and affordable cooking products. They are now the exclusive brand owners of the Euromaid, IAG and ARC brands. Euromaid is the largest selling Australian-owned brand in Australia available through major retail stores. IAG and ARC are the largest selling brands sold directly by kitchen stores throughout Australia. IAG is also the exclusive agent for the high-end Fagor and Elica collections. Over the last decade IAG has sold over 200,000 appliances nationally and has been a leader in the use of technology for logistics handling and service delivery.

Michael Hall founded the Integrated Appliance Group in 2000 and together with Kestrel Capital has developed and implemented a distribution strategy of supplying kitchen appliances through kitchen retail outlets. This method of distribution, whilst less known in Australia, is a major channel for kitchen appliance sales in Europe. Michael Hall has over 30 years experience in the kitchen industry and is a great believer in the symmetry between kitchen design and appliance purchasing and said: "Kitchen design is in many ways dependant on the choice of appliances and to choose one without the other will often lead to disappointing results".

The senior management team including the Hall, Varvaressos and Morgan families and leading private equity firm Anacacia Capital have invested capital to fund the acquisition.

Home Appliances Managing Director, Owen Morgan, stated: "It is terrific to bring these outstanding brands together. We have enormous respect for the IAG Appliances business and look forward together to working with our customers, staff and suppliers to continue our aspiration to be Australia's leading supplier of quality, affordable cooking appliances. In particular, we think our customers will benefit from our access to a broader range of products and expertise".

Michael Hall, who will be joining the Home Appliances Board, said: "Home Appliances has grown to be a significant player in the appliance industry. The work done by Anacacia Capital and the management team in positioning Home Appliances for sustainable growth makes for an exciting opportunity that our team is keen to be part of. The opportunity for the Integrated Appliance Group to become a part of Home Appliances is simply another logical stage in the company's development. Home Appliances' international sourcing and scale will provide deliverable benefits for the company and its customers. Both the vision and the future are exciting."

Advisors in the transaction included Thomson Playford Cutlers, Holding Reddich, Deloitte and Marsh.

About Home Appliances Pty Ltd

Home Appliances (www.euromaid.com.au; www.integratedappliancegroup.com.au) aspires to be the leading supplier of affordable high quality appliances in Australasia. It distributes a range of products to leading retailers in Australia and New Zealand including the Euromaid, IAG, ARC, Elica and Fagor cooking appliances range. Theo Varvaressos and Michael Hall are Executive Directors and Owen Morgan is Managing Director of Home Appliances.

About Anacacia Capital Pty Ltd

Anacacia Capital (www.anacacia.com.au) manages the Anacacia Partnership private equity fund and seeks to be Australia's leading private equity firm that specialises in small-medium enterprises. Anacacia provide strategic insight and capital to outstanding management teams to help these businesses to grow. Anacacia supported the original investment into Home Appliances and also helped introduce and manage the IAG acquisition. Michael Braham and Jeremy Samuel from Anacacia are non-executive directors on the Home Appliances Board.

About Kestrel Capital Pty Limited

Kestrel Capital (www.kestrelcapital.com.au) is a Sydney-based private equity secondaries fund manager focused on expansion and later stage companies and portfolio acquisitions. Since raising its Kestrel Secondaries Fund I in August 2006 Kestrel has been the most active secondaries investor in Australasia acquiring investments and or portfolios from a number of leading international private equity managers.

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