



Waco International Ltd

Waco continues to deliver on its growth agenda through strategic acquisitions of over £40 million

Waco International is an industrial services business with hire, sales and manufacturing operations in two lines of business, namely Scaffolding, Forming and Shoring and Relocatable Modular Buildings. The group has operations in the UK, Australia, New Zealand, Southern Africa, USA, Chile and Mauritius and is the market leader in Australia, South Africa and New Zealand as well as having a strong position in the UK.

As part of Waco's global growth strategy to expand into new geographies, grow market share in the countries that they operate in and extend the product range to customers, Waco has recently acquired businesses in the UK, South Africa and New Zealand.

The acquisitions have made the UK Modular Building business the third largest player in the UK, expanded the Australian Scaffolding, Forming and Shoring Business into New Zealand and offered customers in South Africa a more comprehensive and broader range of services.

They are earnings accretive for the Group and will strengthen the company's leading position in key product markets.

Royden Vice, CEO of Waco International, comments:

"Waco has a clearly defined growth strategy and the business is taking advantage of excellent acquisitive opportunities. We continue to consolidate in the industry and expect strong future growth in all of Waco's key geographical markets".

**Acquisition of Interlink in UK –
building on the planned growth in education and healthcare infrastructure expenditure**

Waco expanded its modular building offering, with the acquisition of Interlink Building Systems. Interlink has an excellent product, designed for use in multiple configurations, is re-usable and not site specific. Interlink is renowned for its customised solutions and now operates with the Premier Group under the umbrella of Waco UK.

Royden Vice, CEO of Waco International commented that *“the Modular Building market in the UK has been growing at circa 8% per annum, mainly as a result of increased government spending in Healthcare and Education as well as technological and aesthetic improvements in modular building design. Waco UK is well positioned to benefit from this increasing demand.”*

**Acquisition of Cape Contracts in South Africa –
providing a one-stop shop service for Waco’s customers**

Waco acquired Cape Contracts, one of the leading intergrated maintenance service providers in South Africa. Cape Contracts has been merged with SGB, the largest supplier and erector of access scaffolding in Southern Africa. SGB also provides seating and related infrastructure for large public events. The newly formed SGB-Cape will be the market leader in Scaffolding and Integrated Maintenance Services (“SIMS”). Customers will now have access to turnkey solutions and a one-stop shop service of Access Scaffolding, Industrial Insulation, Asbestos Removal, Industrial Painting, Fire Painting, Cladding and Specialised Coatings.

Royden Vice highlighted *“that with the considerable spending expected over the next few years in Power Generation (£8 billion), GDFI spending of circa £14 billion by the SA government and the 2010 World Cup, SGB – Cape should deliver strong growth over the next 3 – 5 years.”*

**Acquisition of Australasian Pacific Limited “APL” in New Zealand-
entering into the New Zealand scaffolding market.**

The Australian arm of Waco International, Waco Kwikform, has expanded into New Zealand with the acquisition of leading New Zealand scaffolding company APL. APL provides scaffolding and shoring service for the residential, commercial

and industrial buildings in the Auckland market. The company has shown excellent growth on the back of strong demand and has a reputation for excellent service, quality safety programmes and timeous project completion. The acquisition opens up the New Zealand scaffolding market for Waco Kwikform, Australia and compliments Waco's existing presence in New Zealand modular buildings through Portacom.

Royden Vice noted that *"this acquisition is complementary to our core operations, is a good strategic fit for Waco Kwikform and an important stepping stone for the group into the New Zealand scaffolding market."*

Waco's Financial Performance

Waco's operational and financial performance over the last three years has been excellent. The group is highly profitable and cash generative. The strong financial performance is expected to continue off the back of strong end-user markets and robust economic growth in its key operating areas, allowing Waco to continue to participate in industry consolidation.

Waco International is expected to deliver an annual turnover in excess of £280 million to the financial year ending June 2005.

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Notes to Editors

Waco International

In the business of Forming, Shoring and Scaffolding, Waco International has operations in Australia, New Zealand, Southern Africa the USA and Chile trading under Waco Kwikform in Australia, Australian Pacific Limited in New Zealand, SGB and Form-Scaff in Southern Africa, Waco Scaffolding & Equipment in the USA and Form-Scaff in Chile. The companies offer the following services:

- The manufacture, sale and rental of formwork, shoring and scaffolding access equipment
- The provision of specialist and high tech formwork systems and solutions
- The erection of scaffolding and access equipment
- The hiring of stands and seating for public entertainments events
- The export of quality scaffolding, formwork and shoring products worldwide

In the business of Relocatable and Modular Buildings, Waco International has operations in Australia, New Zealand and the UK trading Ausco, Portacom and Premier respectively. The companies offering the following services:

- The manufacture, sale and rental of portable, relocatable and modular buildings for a wide range of applications
- The provision of specialist temporary or long term accommodation solutions
- Project management of large scale contracts

Waco International employs over 4000 people worldwide

UK Businesses

Waco UK

Waco UK, which comprises Premier and Interlink is ranked as the second-largest British modular building hire business and third in the overall relocatable and modular buildings market, with a combined fleet of some 5,500 units. The UK pre-fabricated building market value has grown at ca 8% per annum (2000-2003). As a result of the increased government spending in healthcare and education, this market is expected to increase to 10% per annum going forward with an increase in healthcare and education budgets (23.1% and 13.4%, 2004-2008 respectively) as well as other initiatives such as Diagnostics Treatment Centers and the BSF, Building Schools for the Future initiative.

Premier Transline

Premier Transline, a British based company employs over 200 people, with a manufacturing facility situated at Brandesburton, Yorkshire, England. Premier has been designing, manufacturing and installing both temporary and permanent modular buildings for various uses, for over 30 years, ranging from 'one-off' designs according to customer specification to large-scale capital projects, such as schools and clinics. The company has an extensive branch network throughout the United Kingdom which provides its customers with quality advice and service.

Interlink Building Services

A key aspect of the growth agenda of Waco International was the acquisition of Interlink Building Service on 1 September 2004 for £31.1 million. Interlink was set up in 1997, is headquartered in East Yorkshire and currently employs 106 people. The company manufacture versatile and flexible modular buildings using innovative designs and techniques. Products and services are fully customisable and range from manufacture, hire or sale of multi-story office complexes to small secure stores.

Interlink has strong relationships with a blue chip client base including Mace, Bovis Lend Lease, Stanhope, Barratt Homes, Multiplex Construction and BAA. The company possesses significant experience in a wide variety of sectors, including Healthcare and Education.

Australian and New Zealand businesses

Waco Kwikform

Waco Kwikform is an Australian company operating principally in the scaffolding industry, providing system design, asset management, logistics, site supervision, erection and dismantling. It operates in all Australian states and territories through 16 branches, 16 distributorships and one manufacturing point. Waco Kwikform's quality assurance system is accredited to the Standard AS/NZS ISO 9002.

Australian Pacific Limited

APL was established in 1999 and has been owner run and managed. It provides on hire and erects scaffolding and falsework equipment, as well as related services for the construction of multi level commercial, residential and industrial buildings in the Auckland area. Current utilisation levels are in excess of 90%. All 35 salaried employees of APL will be retained in the business going forward and Robin Mysell and Peter Lipp, the founding members and major shareholders of APL will be retained as financial director and managing director respectively.

Ausco

Ausco is the market leader in the hire and sale of modular buildings in Australia. Ausco operates in all capital cities and many regional centres across Australia. Ausco manufactures a range of products including sleeping accommodation, site offices, commercial offices, equipment shelters and a range of classrooms. A fleet of over 9,000 buildings is available for hire and is supported by a significant capacity to manufacture full turnkey projects for the mining, resources and education and non-residential markets.

Portacom

Portacom operates from two primary facilities in Auckland and Christchurch supported by a wide network of agencies and hire yard operations. It is the largest manufacturer, hirer and seller of portable modular buildings in New Zealand.

Southern African Businesses

Waco Africa

Waco Africa is a member of the Waco International group and is 25% owned by Kagiso Ventures through Waco International. The company trades under the brand names Form-Scaff and SGB and is the market leader in Scaffolding, Forming and Shoring in Southern Africa.

SGB

SGB was formed in South Africa in 1948 as part of "Scaffolding Great Britain" and severed ties with the UK operation in 1987 and became a wholly owned South African Company.

Up until the 1970's, the focus was primarily the erection of access equipment for the construction market. With the advent of the Sasol and Mossgas construction, SGB's market focus shifted and is concentrated on power stations, refineries, steel and petro-chemical plants, construction and building projects, maritime repairs and other industrial installations.

Cape Contracts

Cape Contracts has been in business for more than 50 years and holds a substantial share of the South African thermal insulation market, particularly in the power generation sector. Activities in this field encompass hot and cold and acoustic insulation, using plaster, mattress, boards, spray and foam applications. According to application, asbestos free insulation materials such as rock wools, mineral wools, fibreglass and urethane are employed as insulating media.

Form-Scaff

The company manufactures, hires and sells formwork and scaffolding. It has branches throughout the African sub-continent including Botswana, Namibia, Mozambique, Mauritius and Swaziland. It is also closely associated with its sister companies in Australia, New Zealand, the UK, the USA and Chile.