



Allen Capital Private Equity announces inaugural investment

Investment in Global Engineered Fasteners signals Allen Capital Private Equity's emerging role in special situation private equity market

Sydney, Monday, 10 May 2004 – Sydney-based fund manager Allen Capital Private Equity Pty Limited (ACPE) has signalled its emerging role in the special situation private equity market, announcing the completion of the first major investment by its Allen Capital Special Situation Fund No.1.

The flagship ACPE fund, through its controlling interest in GEF Holdings Pty Limited, has sponsored a management buy-in of Melbourne-based Global Engineered Fasteners Pty Limited (GEF), incorporating the businesses of Ajax Engineered Fasteners (Ajax EF) and Global Automotive Logistics (GAL), both previously owned by Nylex Limited. Ajax EF manufactures and distributes automotive and industrial fasteners, while GAL provides product sourcing, quality assurance, supply chain management and engineering services.

Partnering ACPE in the transaction is a management buy-in team led by former Holden executive, Vic Beesley, and including members of the existing management team.

ACPE Managing Director, Peter Allen, said the investment was an important milestone in the fund's strategy to build a high-performing private equity portfolio by investing in under-performing companies that would benefit from ACPE's experience and expertise in corporate turnarounds.

“The fund's investment criteria are very rigorous. While this means we have had to decline many investment opportunities presented to us, it also means our investors can be confident that the investments we do complete have real turnaround potential,” Mr Allen said.

“GEF is one such case as it is a market leader in the domestic automotive fastener market and there is exciting potential in its industrial fastener solutions. However, for various reasons, the businesses have not been able to perform to their full potential.

“In partnership with the management buy-in team we intend to take the steps necessary to unlock the potential in these businesses, restore them to growth and, after a suitable holding period, realise a return on the fund's investment.

“Our investment approach is carefully considered and designed to lead to superior rewards for investors in the long run by leveraging ACPE’s unique insight into turnaround and restructuring situations. We look forward to setting a strong precedent along these lines with GEF,” Mr Allen said.

About Global Engineered Fasteners Pty Limited

GEF incorporates the businesses of Ajax EF and GAL. Ajax EF manufactures, imports and exports fasteners and other engineered products for the automotive and industrial products industries, and is the largest Australian manufacturer of automotive fasteners. GAL provides a fastener logistics services, including product sourcing, quality assurance, supply chain management and engineering services. GAL sources 40% of its requirements from Ajax EF. GAL and Ajax EF turnover a combined \$75M currently, and operate from plants in Braeside and Nunawading in Victoria.

About Allen Capital Group

Allen Capital Group includes Allen Capital Pty Limited and Allen Capital Private Equity Pty Limited.

Allen Capital is a boutique corporate advisory firm focused on mid-market private and public companies and their owners, managers and other stakeholders. Founded in 1998 by Peter Allen, formerly managing partner of Arthur Anderson Sydney an internationally recognised expert in corporate turnarounds and restructuring, the group has special expertise in the area of revitalising under-performing businesses.

ACPE is the investment manager of Allen Capital Special Situation Fund No.1, which was closed in August 2003. The fund is focused on special situation or event-driven investing, spanning restructurings, reorganisations, turnarounds or distressed situations. It seeks particularly to invest in or partner with businesses in transition, particularly those struggling to address significant changes in their competitive landscape.

Issued on behalf of Allen Capital Private Equity by Sefiani Communications Group. For further information please contact:

Peter Allen
Allen Capital Private Equity
Tel: (02) 9259 4600
pallen@allencapital.com.au

Nicholas Owens
Sefiani Communications Group
Tel: (02) 8920 0700
Mobile: (0421) 977 062
nowens@sefiani.com.au