



Capital Racking Systems, New Zealand



Dexion Acquires Capital Racking Systems



Dexion Limited, Australia's leading storage solutions and equipment supplier, today announced its intention to acquire the business of Capital Racking Systems (Capital). The acquisition forms a part of Dexion's strategy of Asia Pacific expansion for its core Logistics Division.

Capital was established in 1992 and operates from a purpose built factory at East Tamaki in Auckland, New Zealand. The company has annual sales of NZ\$18.5m and employs 62 people. Capital made a profit (EBITDA) of NZ\$2.0m for the year ended 31 March 2006.

Dexion has acquired the business, effective 1st September 2006, from private interests for NZ\$10.5m on a debt free basis. The acquisition price is subject to a net asset adjustment upon the finalization of the completion accounts.

The acquisition will be funded by debt and will be earnings accretive.

Managing Director, Brent Fuller said, "Capital is a well managed business with an excellent customer base. We look forward to growing the business further with the addition of Dexion's storage solutions and systems expertise".

Dexion recently announced its half year results to 30 June 2006 which were 24% up on the prior comparable period. Dexion's Logistics business provides three quarters of the Company's revenue, designing and supplying large scale storage systems and equipment to companies in retailing, records management and third party logistics.



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