

Wolseley acquires control of Cartridge World

SYDNEY, 2 August 2007: Wolseley Private Equity has reached agreement to acquire control of Cartridge World, the world's largest printer cartridge refill and remanufacturing franchiser.

Wolseley, together with Cartridge World's executive management in the US, Australia and the United Kingdom, have agreed to buy 80 per cent of the company from the Adelaide-based founders, Bryan Stokes and Paul Wheeler.

Cartridge World is an international success story, having already grown to more than 1,500 outlets in 45 countries since opening its first franchise outlet in Adelaide, in 1997. It is the only global company in cartridge replacement and is one of the fastest growing franchise groups in the world.

Mike Fuller, Cartridge World's Managing Director of Asia/Pacific, South Africa and the Middle East said that the change in ownership will not affect the company's franchisees or existing business relationships, but will help underwrite stronger growth.

Wolseley Private Equity's Managing Director, Peter Hasko, said "This business attracted us because of its unique competitive commercial advantage: Cartridge World is the only global company offering high quality refilled ink jet or laser cartridges at substantially lower price than a new cartridge, combined with its environment friendly credentials. An estimated 20 million printer cartridges go into landfill each year in Australia alone. These cartridges can take up to 450 years to decompose. Refilling the cartridges is a significant contribution to preserving our environment."

"We see considerable opportunity to increase our worldwide presence, by expanding the network we now have in place with our 46 Master Franchisees and adding Master Franchisees in fast-growing countries in Asia, Europe and South America. With Wolseley's support we plan to double the number of outlets in the coming three years," commented Mr. Fuller, adding that the increasing use of computers and digital cameras is boosting world-wide demand for printer cartridges.

"This is one of the fastest growing franchise groups in the world with an enormous scope for growth" added Mr Hasko. "In most developed countries less than a quarter of the printer cartridges used by business, organisations and homes are refilled. A recycled cartridge can be refilled with ink for approximately half the cost of a new one, and refilling reduces waste and helps the environment."

Mr Hasko said the acquisition took Wolseley Partners Fund 1 to more than 70 per cent invested. The fund closed for investment in September 2005, after raising \$110 million.



Wolseley Private Equity is a Sydney based group that invests in businesses with growth opportunities. Wolseley's experienced management team works actively in assisting companies to drive revenue and strategic value by adding to the companies' skills and improving governance, strategy and operational aspects.

"The most important aspect of any investment for us is the people. We are looking forward to working with the high calibre team at Cartridge World." said Mr. Hasko.

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About Wolseley Private Equity

Wolseley Private Equity is an independent private equity firm with over \$100 million under management. It invests in Australian and New Zealand companies with enterprise values between \$20 million and \$150 million.

Printer cartridge recycling facts

Printer manufacturers have known for years that the real money is in the ink, not the hardware. They've tried to keep this lucrative market to themselves by telling consumers printers can be damaged and warranties voided if generic ink cartridges are used. With credible refilling/remanufacturing options becoming available worldwide, consumers are learning the extent to which ink prices are being inflated. By volume, cartridge ink has become more expensive than many luxury items. It is now more expensive than Dom Perignon or Chanel No 5 Eau De Parfum.

- Globally almost 80% of empty cartridges are incinerated or dumped in landfills.
- In one year, if the world's discarded cartridges were stacked end-to-end, they would circle the earth more than three times.
- A laser cartridge thrown into landfill can take up to 450 years to decompose. Some components made of industrial grade plastics will take over a thousand years to decompose.