

MRS CROCKET'S KITCHEN INVESTMENT REPORT

1. Summary of the Deal

On 6 December 2004, Ironbridge Capital made a significant investment in Mrs Crocket's Kitchen Pty Limited ("Mrs Crocket's") to fund its future growth.

2. Background

Mrs Crocket's was established in 1983 by John and Phillip George and is a market leader in the fresh chilled prepared foods industry. Mrs Crocket's has grown both organically and through a number of acquisitions.



FAST & FRESH

In 1990 NatureFresh was acquired followed by Queensland Food Processors in 1994, the dressed salads business of Bentala in 1995, All States Food Service in 1998 and the dressed salad business of Convenience Foods in Victoria in 2002.

In November 2004, Mrs Crocket's acquired The House of Winston, a leading producer of fresh soup, risotto and bircher muesli products.

Ironbridge has worked closely with Phillip & John George and Mrs Crocket's CEO Peter Kemp to develop this investment opportunity.

3. The Business

The Mrs Crocket's product range, which focuses on ready-to-eat and ready-to-heat dishes, forms part of chilled prepared food categories which are well developed in other markets but which are still nascent in Australia.

Core products include:-

- Prepacked dressed salads (coleslaw, creamy pasta, potato, mixed bean, tabouleh etc.) in sizes 100g – 1kg supplied to the major grocery chains. Larger pack sizes are aimed at entertainment, smaller sizes at home meal solutions and “desktop dining”.
- Leafy ready to eat salads in bowls (eg. Caesar or garden) supplied to the major grocery chains.
- Prepacked mashed potato, sweet potato and pumpkin products to the major grocery chains.



- Bulk dressed salads supplied to the deli counters of the major grocery chains and to fast food and food service, largely in 2kg bags.

In November 2004 Mrs Crocket's launched two major range extensions:-

- Through Woolworths only in the first instance, a range of ready to heat vegetable side dishes such as broccolini with almonds, cauliflower mornay, ratatouille etc.
- A doubling of the SKUs in leafy ready to eat salads where 6 new SKUs will be added, including Asian green, Asian crunchy, Chicken Caesar, Sweet Potato and Baby Leaf, Spinach and Greek salads.

Mrs Crocket's customers include Woolworths, Coles, Bi-Lo, IGA, Metcash, Aldi, KFC, Red Rooster, Sizzler and Oportos.

"Mrs Crocket's is a well established brand with a leading market position, led by a quality, experienced management team overseeing a tightly run operation.

"The opportunities for growth in this sector are substantial. From an organic growth perspective, customer familiarity and preference for prepared chilled foods are likely to increase the penetration of Mrs Crocket's products in the major retail supermarket and fast food chains, while new product developments will also support future revenue growth."

Ironbridge Managing Partner, Paul Evans

4. The Management Team

Mrs Crocket's has a management team that is well placed to manage expansion by organic growth and acquisition.

Peter Kemp the Chief Executive Officer has worked for 20 years in the food industry. Prior to becoming CEO, Peter managed the establishment of Mrs Crocket's Brisbane operations in their current format in 2002.

5. Transaction Rationale

Rapidly growing, underdeveloped market - the Australian chilled prepared foods market is immature by international standards and is well positioned for strong medium term growth as evidenced in Mrs Crocket's strong historic sales growth.

Leading market position - Mrs Crocket's is the only national player in the Australian dressed salads market and has demonstrated high levels of sustained organic growth. It has established a leading market position and a strong brand.

Tightly run operations - Mrs Crocket's has well run operations. The Brisbane plant is a clean, efficient and well-managed facility supported by a strong operations management team. In particular, Mrs Crocket's has built a superior forecasting, production planning and logistics capability which is a significant company asset.

Attractive platform for further bolt-on acquisitions - There are a number of food manufacturers in the chilled food category that struggle for critical mass and lack the capital base to support national distribution and professional sales functions.

