



**Allegro Funds Pty Ltd**  
Level 11, 210 George Street  
Sydney, NSW 2000 Australia  
PO Box R778, Royal Exchange  
NSW 1225

+61 2 8228 8700 **T**  
+61 2 9251 8028 **F**  
enquiries@allegrofund.com.au **E**  
www.allegrofund.com.au **W**

## **MEDIA RELEASE**

### **Allegro Funds completes MBO of Vulcanite, a leading supplier to global rail sector**

**Sydney, 25 October 2011** - Emerging mid-market private equity manager Allegro Funds today announced it had completed the acquisition by MBO of Vulcanite Pty Ltd, a leading supplier of engineered parts and equipment for passenger trains in Australia and internationally.

The Vulcanite MBO was made with funds managed by Allegro on behalf of leading Australian superannuation funds, and demonstrates Allegro's strategy of co-investing with the superannuation sector in attractive private equity opportunities.

Vulcanite has been a trusted supplier of bonded rubber and metal suspension parts to Australian rolling stock manufacturers and rail operators for more than 50 years, providing bespoke engineered solutions to specific customer requirements.

The company has successfully penetrated the US and UK rail markets in the past five years, but faced constraints on growth capital under the previous ownership structure.

Vulcanite Managing Director, Colin Anbu, who has invested alongside Allegro, said the investment by Allegro would provide additional capital to unlock significant offshore growth potential for Vulcanite.

"Vulcanite has been capital constrained in recent years, restricting our ability to take advantage of global growth opportunities we have identified. Investing in state-of-the-art design, manufacturing and testing facilities, as well as a stronger offshore sales force will allow us to better leverage Vulcanite's excellent reputation in the global rail market," Mr Anbu said.

Allegro Investment Director, Albert Farrant, said: "Allegro have been looking at opportunities in the rail sector for some time, as the global and domestic outlook for the rail sector is strong over the medium and long term. We see Vulcanite as an attractive investment because of the strength of its global reputation, the calibre and commitment of the MBO team, and the strong potential for both organic growth and growth through acquisition."

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**Media contact: Chester Moynihan, Joint managing Director, Allegro Funds, ph. (02) 8228 8700, mob. 0414 395 783 or email [cmoynihan@allegrofund.com.au](mailto:cmoynihan@allegrofund.com.au)**

**About Allegro Funds**

*Allegro Funds is a growing mid-market private equity fund manager that is independently owned by its principals. Allegro provides capital in order to implement a step change in businesses and invests in both growth investments and turnaround businesses. Allegro's unique investment philosophy has a proven track record for transforming businesses in which it invests, and generating a strong return on investment for institutional investors. For more information, please visit [www.allegrofund.com.au](http://www.allegrofund.com.au)*