

The Registrar
Business Acquisition and Authorisations
Commerce Commission
PO Box 2351
Wellington

Pursuant to S66(1) of the Commerce Act 1986 notice is hereby given seeking **clearance** of a proposed business acquisition.

PART 1: TRANSACTION DETAILS

1. The Business Acquisition

1.1 The business acquisition for which **clearance** is sought:

- a.** Hire, lease and sale contracts and any other type of contract undertaken by Rhino Portable Buildings Limited ("**Rhino**");
- b.** Fleet of portable modular buildings owned by Rhino Portable Buildings Limited;
- c.** All other assets owned by Rhino Portable Buildings Limited; and
- d.** Intellectual property,

of and owned by Rhino.

1.2 **By who:** Portacom New Zealand Limited at Auckland ("**Portacom**").

1.3 The Indicative Non-Binding Expression of Interest ("**EOI**") from Portacom New Zealand Limited and the response to the EOI from Rhino Group Limited are attached as **Appendix 1**.

2. The Person Giving Notice

2.1 This notice is given by:

- a.** Portacom New Zealand Limited
2 O'Rorke Road
Penrose
Auckland

Attention: Martin McLeod, Managing Director

Phone: (09) 525 5321
 Mobile: 027 445 6050

b. Legal Counsel

Geoff Hosking
 Partner
 Hesketh Henry
 Private Bag 9203
 Auckland 1030

Phone: (09) 375 8693
 Fax: (09) 375 8774

3. Confidentiality

- 3.1** Portacom requests a confidentiality order covering the information highlighted in the attached copy, so that that highlighted information remains confidential.
- 3.2** Portacom request the confidentiality order remains in place for 20 days after the determination of the matter.
- 3.3** Portacom requests that upon expiry of the confidentiality order the Commission may withhold all information highlighted s 9 of the Official Information Act 1992.
- 3.4** This request is made on the basis that the information is commercially sensitive information and its disclosure would unreasonably prejudice the commercial position of the parties. There are no other considerations that would render it desirable, in the public interest, to make that information available.
- 3.5** Portacom also requests that the Commission not contact any of Rhino's employees as the market is highly competitive and Rhino has not yet discussed the sale with its employees.

4. Details of the Participants

- 4.1** For the purposes of this notice the term "**participant**" means:
- a.** Portacom New Zealand Limited ("**the acquirer**"); and
 - b.** Rhino Portable Buildings Limited ("**the target company**"); and
 - c.** David John Tarring of 4 Tizard Road, Birkenhead Point, Auckland (as an owner of Rhino Portable Buildings Limited); and
 - d.** Clifford Matson of 49 Ladies Mile, Remuera, Auckland (as an owner of Rhino Portable Buildings Limited),

and will continue to do so after the acquisition.

The acquirer

- 4.2** The acquirer is Portacom New Zealand Limited. The contact details for the acquirer are as specified in paragraph 2.

The target company

- 4.3 C/- Rhino Group Limited
PO Box 104-148
Lincoln North
Auckland

Attention: David Tarring, Director

Phone: (09) 8339 858
Fax: (09) 0338 646
Mobile: 021 630 909

5. Who is interconnected to or associated with each Participant

Acquirer group/associates

- 5.1 Portacom is a member of a group of interconnected bodies corporate. Portacom is ultimately a wholly owned subsidiary of WACO International Limited (South Africa). Portacom is only one of a number of subsidiaries of WACO International Limited. Apart from APL Kwikform Limited which operates a scaffolding business in Auckland, all of the other subsidiaries of WACO International Limited operate outside of New Zealand and include Ausco Buildings Systems Limited in Australia and Premier Transportable Buildings in the United Kingdom. We have not included the details of these interconnected companies as they are not relevant to this application. No subsidiary of WACO International Limited, other than Portacom, competes in the New Zealand portable modular building market.

Target company group/associates

- 5.2 Rhino Portable Buildings Limited does not have any subsidiaries or own shares in any other company. No company currently holds shares in Rhino Portable Buildings Limited.
- 5.3 The Directors of the Target Company are also the Directors of Rhino Group Limited, Polyjohn (Asia Pacific) Limited and National Rent-A-Fence Limited.
- 5.4 Portacom is also acquiring the business of National Rent-A-Fence Limited. National Rent-A-Fence Limited hires temporary fencing to commercial and other customers. We have not included details of National Rent-A-Fence Limited as they are not relevant to this application.
- 5.5 Rhino Group Limited does not trade in the portable modular building market and owns no portable modular building assets. Portacom is not purchasing any of the assets of Rhino Group Limited. As part of the acquisition, it is proposed that Rhino Group Limited will change its name.

6. Beneficial Interests

- 6.1 Portacom is not aware of any participant or any interconnected body corporate thereof, which already has a beneficial interest in, or is beneficially entitled to, any shares or other pecuniary interest in any other participant.

7. Links between Participants

- 7.1 There are no links (whether formal or informal including shares, common directorships, formal or informal contracts, arrangements or undertakings) between participants including, without limitation, interconnected bodies corporate and associates.

8. Director's Involvement in the Market

- 8.1 None of the directors of Portacom hold any other directorships in any other companies which are involved in the markets in which either Portacom or Rhino operate.

9. Business Activities of each Participant

The acquirer

- 9.1 Portacom has been operating in the portable modular building market since the late 1970's and operates nationwide. Portacom manufactures for sale and hire, portable modular buildings of predominantly sandwich panel construction. Portacom's buildings are used for a variety of applications throughout New Zealand. Portacom exports portable modular buildings on an ad hoc basis to the Pacific Islands. Portacom has branches located in Auckland, Hamilton, New Plymouth, Wellington and Christchurch.

The target company

- 9.2 Rhino sells and hires a wide range of portable buildings for sale, hire or lease nationwide. Rhino's buildings are also made from a sandwich panel construction. Buildings can be made for a variety of applications, including toilet blocks, "smoko units", client specific designs and general purpose offices. Rhino has offices at Auckland. However, Rhino's website indicates (we understand for marketing purposes) that Rhino also has offices in Hamilton and Wellington. Rhino does not manufacture portable modular buildings itself, it contracts the manufacture of the buildings to a third party, J.N. Construction Limited. We note that, on occasion, Rhino supplies J.N. Construction Limited with the materials to be used in the construction of Rhino's portable modular buildings.
- 9.3 Rhino also sells portable modular buildings on hire purchase.

10. Reasons and Intentions of Proposal

- 10.1 The purpose of the acquisition by Portacom is to compliment its existing business in the nationwide portable buildings market and in particular, to gain an increased presence in the building and construction market for portable modular buildings in the North Island.

PART II: IDENTIFICATION OF MARKETS AFFECTED

11. Horizontal Aggregation

The Aggregation of Business Activities

- 11.1 The area of business activity that Portacom and Rhino have in common is the manufacture, sale and hire of portable modular buildings in the North Island. Portacom only sells and hires portable modular buildings. Rhino sells and hires, and also offers hire purchase of, portable modular buildings.

- 11.2 The Product Dimension:** Portacom manufactures their own buildings, using sandwich panel construction. Rhino buildings are of the same sandwich constructions and are built under contract by a third party (J.N. Construction Limited).
- 11.3** Participants in the market commonly have their own range of buildings (with set design specifications) and also the ability to design buildings to a customer's specifications and designs. The basic Portacom portable modular building measures 6 x 3m. Portacom buildings have a "sandwich" panel walls and roof. The panels are manufactured by third party companies, eg Long Insulation Fabricators Limited, Bondor New Zealand Limited, Metalcraft Industries Limited, Insulation Panel & Doors Company and Lanwood Industries Limited. The buildings are manufactured in a Portacom warehouse, then transported by truck, helicopter or barge to the customer's site. A standard unit can be built within a week with a crew of 2 to 3 labourers.
- 11.4** Currently, for both Portacom and Rhino, a significant demand for buildings is for use as temporary offices, for example construction firms, such as Multiplex, Fletchers and Hawkins, use portable buildings on-site and shift them to other locations as required. Businesses also use portable buildings while their offices are being renovated. This is also true for Rhino.
- 11.5** There is no pattern regarding Portacom's customers switching from hiring to purchasing portable modular buildings. The decision to switch appears to depend on the capital constraints/requirements of the particular customer and the purpose that the customer has for the portable modular building. Customers may easily switch between the hiring and acquiring if prices for hiring become high. As both Portacom and Rhino hire and sell portable modular buildings, Portacom suggests the market includes both activities. Portacom does not sell any of the portable modular buildings used in its hire fleet until the buildings are near the end of their useful life as hire assets.
- 11.6 Geographic dimension:** Portacom has offices in Auckland, New Plymouth, Hamilton and Wellington and Christchurch. Rhino operates mostly in the North Island area. We propose that this is a North Island market. While Rhino's business is in Auckland, Rhino regularly enters into sale, hire and lease contracts from other parts of the North Island. As at 1 March 2006, Rhino had 30 portable modular buildings hired or leased outside of the Auckland area. There is no need for Rhino to have physical offices in other North Island centres as most hire, sale and lease contracts are completed by phone, fax and email. With prices relatively stable, most contracts depend on the availability of the portable modular building and the "supplier preferences" of the customer. Portacom understands that Rhino does not have a physical office in the South Island. Rather, Rhino supplies its South Island customers from Rhino's fleet of portable modular buildings already located in the South Island and by building further buildings to meet demand.
- 11.7 Functional dimension:** The relevant functional market is the supply of portable modular buildings for sale or hire.

Differentiated Product Markets

- 11.8** We believe that buyers in the portable modular buildings market largely make their purchases on the basis of price. While individual buildings may be customised to suit the individual purchaser, their construction is largely standard, and can be undertaken by any portable modular building manufacturer. We therefore suggest there is limited real product differentiation in the market.

12. Vertical Integration

12.1 The proposed acquisition will not result in any vertical integration between the companies. Both companies offer buildings for sale or hire. Only Portacom manufactures buildings itself.

13. Previous Commerce Commission Applications

13.1 Portacom sought clearance from the Commerce Commission under section 66(1) of the Commerce Act 1986 in relation to the acquisition of the business assets, hire contracts, intellectual property and the trade name "Transportables" from Peter McGrath and Malcolm Lawrie of Nelson. Clearance was granted by the Commission to Portacom on 30 May 2003 in Decision Number 499.

13.2 Portacom has not undertaken any other acquisitions of any other business assets or shares in the past 5 years.

13.3 Rhino has not been involved in any other proposed acquisitions of assets or shares notified to the Commerce Commission in the past 5 years. Rhino has not undertaken any other acquisition of a business or shares in a business in either the portable modular building or fencing markets in the past 5 years.

PART III: CONSTRAINTS ON MARKET POWER BY EXISTING COMPETITION

14. Existing Competitors

14.1 Other participants in the market include:

Competitor	Owner and Ultimate Owner (where relevant and if known)
"charles64"	(as listed on "trade me" – auction number 48972993)
"deane68"	(as listed on "trade me" – auction number 48490584)
"mrtrump"	(as listed on "trade me" – auction number 48638957)
"qpb"	(as listed on "trade me" – auction number 49012107)
Arcus Portable Buildings	
Cabins To Go	Marcel Bakker (500); Karen Bakker (500)
Fleetmac	
HireCom Buildings (2000) Limited	Franciscus Calis (50); Rutgerus Calis (50)
KariCom Limited	Fiona Redmond (900); Sean Redmond (100)

LeisureCom (NZ) Limited	Robert Marsdon (148); Roseanne Marsdon (2)
Mai Com Limited	Dean Cline (750); Moreen Cline (250)
Mod Com Portable Buildings Limited	Rex McIntyre (500); Gwenda McIntyre (500)
Modulock – Manawatu	
Overland Portable Buildings	
Porta-Build and Hire Limited	Michael Stewart (Trust) (500); Bradley Govan (500)
Portacabin (New Zealand) Limited	Clifford Matson (Trust) (150); David Tarring (Trust) (150)
Portacabin Portable Buildings Limited	William Bennett (50); Victoria Bennett (50)
Portacube	
Quality Portable Buildings Limited	Jacob Webb (100)
Rooms to Move Limited	Dianne Corin (500); Colin Kerrick (500)
Tyrex Wholesale Limited	

14.2 Portacom has no access to any market share information, and, as such, is unable to estimate the respective market shares of other participants in the market.

14.3 The estimated total size of the domestic market is NZ\$33m.

Estimated Market Shares

2005

Rank	Supplier	Owner(s) of supplier
1	Portacom	Waco International Limited
2	Rhino	CJ Matson & DJ Tarring
3	Mod Com Portable Buildings Limited	R McIntyre & G McIntyre
4	Porta-Build & Hire Limited	M Stewart & B Govan

14.4 It is very difficult to give estimates of the productive capacity of participants in the market, as most participants in the market will build to the market demand by employing short term temporary labour, purchasing component materials and utilising existing work spaces. For this reason, we cannot provide any further information.

15. Other Considerations

Near Entrants

- 15.1 There are a number of other companies that may quickly enter the market (using their existing productive capacity) in response to price rises. These near entrants include:

Near Entrant	Owner and Ultimate Owner (where relevant)
0800 Sleepouts Limited	David Dixon (500); Clifford Dixon (500)
Bondor New Zealand Limited	Austral Comnia Holdings Pty Ltd (2,792,493)
Coates Hire (Australia)	Listed company in Australia
Fletcher Construction	
Hawkins Construction	
HireEquip	
HirePool	
Ideal Cool Rooms	
Insulation Panel & Door Company	
Kiwi Cottages Auckland Limited	James Matchett (1,000); Margaret Matchett (1,000)
Kwality Construction Limited	Kevin Parr (1,199); Heather Thomas (1)
Lanwood Industries Limited	Robert Lockwood, Annette Lockwood and Kevin O'Sullivan (350,000 jointly); Robert Lockwood, Annette Lockwood and John Lockwood (100,000 jointly); John Lockwood (50,000)
Longbeck Cool Room Hire (1998) Limited	Lonny Gemmell (5); Susan Gemmell (5); Lonny Gemmell, Susan Gemmell and Ian Papworth (90 jointly)
Mainzeal	
McEntee Hire	
Rudnev Door Systems North Island Limited	Jamie Adamson, Donal Adamson and Graham Mathieson (1,000 jointly)
Stroeven Holdings Limited	Erwin Stroeven (1); Cynthia Stroeven (1) Erwin Stroeven Cynthia Stroeven and Warren McFie (998 jointly)
Supermac Holdings Limited	Rex McIntyre (92,500); Gwenda McIntyre (92,500)

Tyrex Wholesale Limited	Julien Browne and James Beban (49,000 jointly); Joseph Coutts (30,000); James Beban and Joseph Coutts (20,000 jointly); Julien Browne (1,000)
Workmate Equipment	

- 15.2 Previous companies considered by the Commission include Panel-Tech, ICE and Contract Coldstore. Other possible new entrants include Bondor and Metalcraft Industries Limited. It is not possible to estimate capacity of these potential competitors.

Importing Constraints

- 15.3 Portacom understands that Porta-Build & Hire Limited in Christchurch imports portable modular buildings from China. Building materials are otherwise mostly sourced from within New Zealand.

Exports

- 15.4 Portacom exports portable modular buildings on an ad hoc basis to the Pacific Islands and assumes other participants do likewise.

Competitiveness of Target Company

- 15.5 Portacom believes that Rhino is a competitor but believes that Rhino's position will be quickly filled by other operators in the portable modular building market (see our further comments in clause 16).

16. Conditions of Expansion

Frontier entry/legislative conditions

- 16.1 There are no frontier entry conditions or legislative/regulatory conditions of which Portacom is aware which would restrict the ability of existing firms in the market to expand.

Industrial/Business conditions

- 16.2 Raw materials may be sourced from a variety of companies (as listed in paragraph 11 above) so are unlikely to restrict growth.
- 16.3 The capital outlay for a portable building manufacturing operation is relatively generic, so there is very little sunk cost (if any) for any business proposing to expand.
- 16.4 Firms can avoid capital cost of a manufacturing facility, or increased investment cost of expanding a facility by employing subcontractors to manufacture portable units, as Rhino does.
- 16.5 The brand Portacom is well known in New Zealand, however similar brand names, including Porta-Build, Portacabin, HireCom, Modcom and Leisurecom mitigate Portacom's strength in the market.

Other

- 16.6 Up to 95% of the cost of manufacturing portable buildings is variable. Given this high variable cost component, there are few economies of scale. This implies there is no need to start on a large scale to compete efficiently. A small firm can compete with a larger firm like Portacom as is demonstrated by the number of businesses currently advertising the sale of portable modular buildings through the "Trade Me" website.

Evidence of Expansion

- 16.7 Apart from Rhino, examples of Portacom's competitors expanding in the last 5 years include:

Competitor	Owner and Ultimate Owner (where relevant)
Cabins To Go	Marcel Bakker (500); Karen Bakker (500)
Fleetmac	
HireCom Buildings (2000) Limited	Franciscus Calis (50); Rutgerus Calis (50)
KariCom Limited	Fiona Redmond (900); Sean Redmond (100)
LeisureCom (NZ) Limited	Robert Marsdon (148); Roseanne Marsdon (2)
Mai Com Limited	Dean Clinge (750); Moreen Clinge (250)
Mod Com Portable Buildings Limited	Rex McIntyre (500); Gwenda McIntyre (500)
Modulock – Manawatu	
Overland Portable Buildings	
Porta-Build and Hire Limited	Michael Stewart (Trust) (500); Bradley Govan (500)
Portacabin (New Zealand) Limited	Clifford Matson (Trust) (150); David Tarring (Trust) (150)
Portacabin Portable Buildings Limited	William Bennett (50); Victoria Bennett (50)
Portacube	
Rooms to Move Limited	Dianne Corin (500); Colin Kerrick (500)

Potential to Expand

- 16.8 All competitors of Portacom have the potential to expand the supply of portable modular buildings in the market (because of the standard cost of component materials and relatively unskilled labour required to manufacture portable modular buildings) by any of the following means:

- a. Diverting product;
- b. Increasing utilisation of existing capacity; and
- c. Expansion of existing capacity.

16.9 Given the basic structure of a portable modular building, it is most likely that the merged entity's existing competitors could manufacture a portable unit in the same time period as Portacom (approximately 1 week). Given the low capital outlay required, expansion could happen almost immediately.

Effect of Expansion

16.10 In Portacom's opinion this competitive response could restrain the merged entity as long term Rhino customers could take their business elsewhere (competitors will effectively win new business overnight). The proposed merger will allow other competitors of Rhino in the business and construction market to expand particularly in areas such as the North Shore, Tauranga and the mid North Island.

16.11 If Portacom increases its hire/sales prices then we anticipate that customers will search for cheaper alternatives and this will encourage others to enter the market (with reduced fixed overheads) and take a market share very quickly.

16.12 Bearing in mind the increase in market concentration that would be brought about by the acquisition, Portacom considers that the merged entity would be constrained in its actions by the conduct of existing competitors in the market because of the following factors:

- a. The prices that Portacom can charge for the hire and sale of portable modular buildings are very "elastic". A small price rise will likely trigger a large drop off in business.
- b. The market is very competitive, with smaller suppliers with lower overheads able to discount their prices to win work. This is clearly evidenced by the number of small participants advertising on "Trade Me".
- c. The components used in the construction of the portable modular buildings are homogenous and the prices for these components are relatively stable.
- d. Suppliers of these components are plentiful though out New Zealand with the components readily available.
- e. The labour market required for the construction of the portable modular buildings is stable and costs are relatively low.

17. Coordinated Market Power

17.1 Portacom is not aware of any characteristics of the market, post acquisition, that would either facilitate or impede coordination effects.

PART IV: CONSTRAINTS ON MARKET POWER BY POTENTIAL COMPETITION

18. Conditions of Entry

- 18.1 The constraints on new competitors are minimal, the application of market conditions described in paragraph 16.1 for existing competitors are also relevant to new competitors. This is also evidence by the number of new entrants in the market in the last 10 years including:

Entrant	Date of Incorporation/ Year of Entry* (if known)
Arcus Portable Buildings	Unsure of date
Cabins To Go	2003
Fleetmac	Unsure of date
HireCom Buildings (2000) Limited	2000
KariCom Limited	2003
LeisureCom (NZ) Limited	1987
Mai Com	2004
Mod Com Portable Buildings Limited	1998
Modulock – Manawatu	Unsure of date
Overland Portable Buildings	Unsure of date
Porta-Build & Hire Limited	1994
Portacabin Portable Buildings Limited	1999
Portacube	Unsure of date
Quality Portable Buildings Limited	2005
Rhino	1994

* The date of entry is approximate only.

Potential Competitors

- 18.2 There is opportunity for competition from Australian based companies wishing to expand into New Zealand (following the successful expansion of Australian construction companies, eg Multiplex).
- 18.3 Local construction companies have the required skills to quickly construct units for hire if the merged entity increases its prices. It is likely a new operation could be set up in 3 months. In its decision No. 499, the Commerce Commission identified a number of entities that expressed an ability to entire the market in the right financial conditions.
- 18.4 The following companies do not currently supply the New Zealand market, but may supply the market by:
- a. investing in new production facilities to produce the product;
 - b. diverting product to New Zealand; or
 - c. expanding existing facilities:

Company	Owner and Ultimate Owner (where relevant)
Bondor	
Container Sales and Leasing Limited	<ul style="list-style-type: none"> - Philip Chapman (3842); - Roger McCallum (3842); - Russell McDougall (16)
Containertech Services Limited	Containertech Group Limited (owners of Containertech Group Limited are: Gordon Trainer (100,000); <ul style="list-style-type: none"> - Farming Investment Limited (100,000); - Reginald Winter, Rosemary Rountree-Winter and Jeremy Noble (100,000 jointly); - David Coshan, Lesley Coshan and Windham Trustees Limited (100,000 jointly); - Reginald Winter and Edwards Wikaira (100,000 jointly))
Contract Coolstores & Insulation Limited	Peter Edwards (Trust) (4890); <ul style="list-style-type: none"> - Christopher Bezett (4500); - Diane Bezett (500); - Peter Edwards (100); - Beatrice Edwards (10)
Insulation Panel and Door Company	
Metalcraft Industries Limited	Pacific Industrial Corp (SA) (address listed in Switzerland) (612,000); Metalcraft Group Limited (588,000)

18.5 The low barriers to entry into the market make entry into the market attractive for companies in the building and construction business.

Likelihood, Sufficiency and Timeliness of Entry

18.6 We estimate that it would take 2 to 3 months (at most) to manufacture a hire fleet and a further 2 weeks to begin to sell the hire fleet into the market.

18.7 Given the minimal entry conditions, and low capital cost required to set up a portable modular building business, it is likely that a potential entrant would consider entry profitable at pre-acquisition prices.

18.8 The threat of entry and spread of sales would not be at a level that would be likely to cause market participants to react in a significant manner.

18.9 The conditions of entry that we consider would influence the business decision to enter the market by setting up from scratch would be general market conditions and economic factors rather than particular issues relating to competition.

18.10 Given the small amount of equipment and capital required to start a profitable hire business, we estimate that a new entrant could establish a presence in the market in less than 3 months.

18.11 Bearing in mind the increase in market concentration that would be brought about by the acquisition, Portacom considers that the merged entity would be constrained in its actions by the conduct of a *de novo* entry in the market because of the following factors:

- a. The prices that Portacom can charge for the hire and sale of portable modular buildings are very elastic. A small price rise by Portacom or a lower priced competitor will likely trigger a large drop off in business for the merged entity.
- b. The market is very competitive, with smaller suppliers with lower overheads able to discount their prices to win work.

PART V: OTHER POTENTIAL CONSTRAINTS

19. Constraints on Market Power by the Conduct of Suppliers

Suppliers to Merged Entity

- 19.1 While the suppliers to the merged entity may be different to those used by Rhino, the component materials of the buildings are the same as those purchased by Rhino. The suppliers supply a wide range of material to many large businesses, and we do not believe that these parties could constrain power in any way.

20. Constraints on market Power by the Conduct of Acquirers

Acquirers of products from Merged Entity

- 20.1 It is very difficult to determine who the merged entity's largest customers will be as there is very little annuity business. The majority of the merged entity's business will be project based and once these projects (typically 6 to 12 months in duration) have ended, it is highly unlikely that the customer will need to hire any further portable modular buildings unless (and until) they commence a new project. The sales component of the merged entity's business is also expected to be project based with very little annuity sales.

Constraints by Acquirers

- 20.2 In the Commissions previous decision regarding a Portacom acquisition (no. 499), it interviewed a number of business who indicated that if prices went too high they could either build units themselves or subcontract the building of them (para 102).
- 20.3 The market for portable buildings is price elastic. If the merged entity increased its prices or reduces its quality, Customers would quickly look for an alternative, and there are few barriers for the merged entity's competitors to fill that "gap".
- 20.4 Portacom does not have any examples of where customers have changed from Portacom to another supplier (or vice versa) because of price. Typically, Portacom will quote on the hire of a portable modular building. The customer usually gets other quotes and depending on price, customer "supplier preference" and availability of the portable modular buildings Portacom will win or lose the hire contract.

Appendix 1 - Expression of Interest [Confidential]