

## McMillan Shakespeare IPO to fund MSA Acquisition

**Melbourne, Australia. 20 February 2004.** McMillan Shakespeare today announced the opening of its initial public offer (**IPO**) to raise \$10.5 million, which will form part of the consideration to acquire leading salary packaging provider, McMillan Shakespeare Australia (**MSA**) from Zurich Australia Limited (**Zurich**).

McMillan Shakespeare was formed by a syndicate of management and private investors (including Anthony Podesta, the founder of MSA and managing director of McMillan Shakespeare, and investors John Bennetts and Ross Chessari), for the specific purpose of acquiring MSA from Zurich.

MSA is considered a market leader in the provision of salary packaging administration. Its services include remuneration policy design, salary packaging benefit administration, motor vehicle lease management and taxation recording. MSA also provides a complementary fleet management service, including the procurement of motor vehicles and finance and fuel card and service maintenance programs.

With significant growth over the past few years, MSA currently services 700 employer clients who represent in excess of 70,000 employees.

“We estimate that less than 2.5% of Australian employees are currently serviced by independent salary packaging service providers, such as MSA. We believe that there is a significant opportunity in Australia, particularly if the current trend towards outsourcing salary packaging functions to independent providers intensifies,” said Mr Podesta.

With annual revenue growing rapidly from \$8.6 million in 1999 to \$25.5 million in 2003, MSA has recently invested over \$5 million in a new purpose-built proprietary IT system to further improve customer service and processing efficiencies to handle anticipated demand for its services.

According to Mr Podesta, “the IPO will provide investors with an opportunity to acquire a share in a significant, financially sound and well-established business operating in a growth industry”.

The IPO is being underwritten by Lodge Partners, an institutional broking firm specialising in companies outside the ASX 100 index. Lodge Partners recently acted as underwriter for the IPO of Tassal Limited and sponsoring broker for the IPO of Medical Developments Australia Limited.

John Bennetts is a Melbourne based investor and the founder of Mooroolbark Technology and has been associated with a number of successful ventures, including Datacraft Limited and Cellestis Limited. Ross Chessari is the former managing director of ANZ Asset Management and a founder of SciVentures Investments.

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