



ADVENT III PRIVATE EQUITY LIMITED

ADVENT III ANNOUNCES SALE OF SLEEPMASTER PTY. LTD.

Advent Management Group Limited ("AMG"), the Manager of Advent III Private Equity Limited ("Advent III") announces the sale of Advent III's shareholding in Sleepmaster Pty Ltd ("Sleepmaster") to ANZ Private Equity for \$13 million. This is the first divestment from the Advent III Portfolio and its timing is in line with that envisaged in the Prospectus when the fund was raised in 1999.

The Fund originally invested in Sleepmaster in November 2000 by facilitating the management buyout (MBO) of the assets of the business from its former owner Internatio-Muller and agreeing to fund the expansion of the business. Sleepmaster is a long-standing and successful manufacturer and distributor of quilts, mattress protectors, pillows and sleeping bags. It also distributes mattress and special industrial fabrics.

The operational performance of Sleepmaster improved significantly under the MBO structure; it's targeted capital expenditure programs enhanced automation and productivity; the acquisition of Jason and Onkaparinga brands expanded its product range and customer base; the establishment of more than 20 "store within store" retail outlets in major Chinese department stores provided export opportunities and an excellent window to showcase Sleepmaster's branded range to prospective international buyers.

The sale is an excellent result for Advent III with the investment returning a gross IRR of approximately 54% per annum and a cash on cash return of approximately 4.5 times the original investment.

The Board of Advent III has resolved that proceeds from the sale be distributed to shareholders as soon as practicable. This will result in a fully franked dividend of approximately 26 cents and a return of capital of 4 cents. As a result total distributions since July 2004 will be 49 cents per share. Following these distributions the estimated Net Tangible Asset Backing will be approximately \$1.34 per share.

The Company shall advise shareholders of the timing of the dividend payment and details of the Extraordinary General Meeting required to be held to pass a resolution to facilitate a return of capital during January 2005.

For further details please contact Rupert A. Harrington on 03 9690 9566.

Yours sincerely

Brian Ball
Managing Director
23 December 2004