



ADVENT MANAGEMENT GROUP

Media Release
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Advent Management Group Limited (Advent) today announced the completion of the secondary MBO of Serck Group Holdings Pty Ltd (Serck). Serck is a leading provider of systems integration solutions and supervisory control and data acquisition (SCADA) products to water utilities and oil & gas businesses. These solutions allow Serck's clients to monitor and control their valuable infrastructure assets, meet legislative and regulatory standards, and improve safety, efficiency and security of supply. For example, Serck's systems are utilised by Sydney Water to monitor its water pipelines, reservoir levels and water treatment plants.

Advent's investment in Serck funded the replacement of the existing private equity investor and enabled management to continue with their growth strategies for the business. The Advent IV Funds managed by Advent have acquired a 70% shareholding in the Company, with the balance of equity held by management.

The original MBO of Serck occurred in 1997 when management and a private equity investor acquired Newcastle based Hunter Watertech from Hunter Valley Water. Driven by strong organic growth and acquisitions, turnover has grown over the past eight years, to more than \$60m p.a., which reflects a CAGR of 31% p.a. Serck's Australian, UK, Europe, North America and the Middle East operations enable it to leverage off the massive investments that are planned for the water and oil & gas industries globally. The management team is highly experienced in executing and integrating both domestic and cross-border acquisitions and further strategic acquisitions are likely.

Serck's Group Managing Director, Paul Chisholm, said "the management team selected Advent because of a number of factors. These included Advent's investment philosophy which ideally suited the size of Serck and their willingness to support management's growth strategies for the business. Positive feedback from other companies in which Advent has invested reinforced management's decision to select Advent as our partner".

Robert Radcliffe-Smith, Director-Investments at Advent, said "whilst Serck is a complex transaction, its management team understood the private equity investment process and invested significant resources to ensure that the ownership transition was relatively seamless. The investment process took three months from start to finish".

Advent's Joint Managing Director, Brian Ball said "it is an attractive time to invest in Serck, with a number of past acquisitions and market development initiatives showing strong progress in the current year and forming a solid foundation for future growth".

The investment in Serck was structured, led and arranged by Advent on behalf of Advent IV Private Equity Funds I and II. Advent IV is a \$115 million institutional fund, which was raised by Advent in September 2003. Advent will shortly commence the fund raising process for its new fund, Advent V.

For further information, please contact Robert Radcliffe-Smith or Brian Ball

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