



ING Private Equity Access Limited

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ING Private Equity Access Limited (ING PEAL)

Sydney, Australia - 7 March, 2007

ING PEAL announces new private equity commitment

New commitment to Archer Capital reinforces ING PEAL's access to sought after private equity opportunities

Australia's first listed private equity fund of funds – ING Private Equity Access Limited (ING PEAL) [ASX Codes: IPE and IPEO] – has announced the further expansion of its private equity fund of funds portfolio with a fresh commitment of \$10 million to Archer Capital Fund 4.

The move reinforces ING PEAL's strategy of providing access to key private equity opportunities often unavailable to retail investors.

The highly regarded Archer Capital team, led by Peter Wiggs and Greg Minton, is raising an expected \$1.20 billion to continue its private equity program which is targeted at mid-sized to large management buy-outs in Australia and New Zealand.

Jon Schahinger, Managing Director of ING PEAL, said he was very pleased to be continuing the relationship with Archer Capital. "The team has proved to be a strong, disciplined performer in the past with successful deals such as Repco, John West and Emeco, and we are confident that they can continue to deliver for their investors," Mr Schahinger said.

Mr Schahinger said ING PEAL plans to make further commitments over the course of this year. "We aim to ensure our target levels of private equity are reached and maintained, and to commit amounts that can produce meaningful results for our shareholders. We do not want to become over-diversified and will continue to invest with Australia's best private equity managers," he said.

Portfolio progress

ING PEAL has now invested into private equity approximately 75 per cent of the original capital subscribed. After realisations, distributions and growth in the asset base, the private equity portfolio now represents around 60 per cent of current NAV and includes a wide range of companies of different sizes and in different industry sectors.

"The large public to private deals have been attracting a lot of press but it gives a false picture of the diversity of the private equity sector. Our portfolio currently consists of about 55 companies ranging in value from a little over \$1 million to well over \$1 billion," Mr Schahinger said. "Many of the investments are relatively recent but we have enjoyed a few early realisations which have been very profitable and assisted our dividend payout."

Some of these exciting opportunities include:

- *Australian Water Systems* – providing water tanks and recycling systems and growing rapidly in the current environment.
- *iNova Pharmaceuticals* – a large provider of branded prescription drug products (previously known as 3M Pharmaceuticals).
- *Kathmandu Clothing* – an iconic brand in Australia and New Zealand now undergoing international expansion.

- *Link Market Services / AAS Group* – very well placed to service the burgeoning financial services sector.
- *Sunshine Heart* – a medical device company developing devices to assist coping with congestive heart disease.
- *Moraitis Group* – one of Australia’s largest wholesalers and distributors of fresh produce.

Financial progress

ING PEAL recently released its half-yearly results. The fund has displayed strong gains and enabled a 20 per cent increase in a fully franked interim dividend. Guidance was also provided that the Company expected a similar increase to the final dividend which would result in 7.5 cents per share being paid over the year to June 30, 2007 (a yield of more than 7.5 per cent on the current share price, with significant tax benefits).

Mr Schahinger said: “The Board is very pleased with the way the investment strategy has rolled out and the Archer 4 commitment takes our total commitments to \$87 million spread across 11 different private equity managers. We now have a diversified base of some great private equity funds which will generate significant returns for our shareholders. Our challenge is to build on this good start and we are confident that the vibrancy and depth of the Australian private equity market will help us meet that challenge.”

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About ING Investment Management – Private Equity

A pioneer of private equity fund of funds in Australia, INGIM entered the private equity sector in 1998 with the launch of its first wholesale private equity fund of fund, the ING Private Capital Fund 1 (PCF1). It subsequently launched a second and third wholesale fund of fund, the ING Private Capital Fund 2 (PCF2) and ING Private Capital Fund 3 (PCF3), and currently has around \$430 million in private equity assets under management.

ING PEAL was created in late 2004 with the aim of giving smaller investors the opportunity to access the high-growth potential of Australia’s maturing private equity market. ING PEAL listed on the Australian Stock Exchange on 25 November 2004. More information on ING PEAL can be found at www.ingpeal.com.au.

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