

Hutchison IPO oversubscribed [AU] ^[1]

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Source: The Australian

Format: Article

Publication Date: 1 Apr 2004

AVAILABILITY
See text below.

EXCERPTS

Australian investors cannot get enough of listed childcare groups it seems, with the early oversubscribed closure of the public offering from Hutchison's Child Care Services.

The Brisbane-based company will become the third player behind rivals ABC Learning Centres and Peppercorn Management Group, when it lists on the Australian Stock Exchange on April 22. It offered 17 per cent of the former family-operated company to raise \$10 million through a prospectus to institutional and retail investors.

Peppercorn listed with 160 centres and now has more than 400, while ABC Learning Centres began with just 31 in January 2001 and hopes to have 321 by June.

Under its business model, Hutchison's will own the childcare centre which Mr Napier said would allow a higher return on investment.

Managed centres, he said, returned up to \$50,000 through management fees but owned facilities would bring in \$200,000 EBITA a year.

Mr Napier also believes that his larger competitors have not cornered the market and Hutchison's would find a niche.

"I think there's room for three, there are over 4000 child care centres in the market in Australia and when you put together ABC, Peppercorn and us we account for just over 700," he said.

- reprinted from The Australian

Region: Australia and New Zealand ^[2]

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