

OZFOREX PLACES 6TH IN THE BRW FAST 100

October 13-19, 2005



Name: Matthew Gilmour, 38

Growth: 233%

Growth tip: You talk to people and you listen to their problems. Many good businesses make something of themselves by hearing about a problem and then solving it for customers.

OzForex was born in 1998 out of its founder's late-night tinkering with web-page design during the internet boom. At the time, Matthew Gilmour was working 12-hour days for an investment bank, then going home to spend three to five hours a night building a web site to share his knowledge of foreign exchange markets with anyone who was interested.

"I noticed a few people were visiting the site and thought, 'This is pretty cool', so I kept adding more and more content to it," Gilmour says. "It ended up being quite a good reference site for anyone looking to find out about foreign exchange, which I think was fortunate because a lot of its popularity came because it wasn't trying to sell anything."

But Gilmour had a sense that he could turn the site into a transactional business rather than just providing content. To raise money to fund his idea he decided to take a job with UBS in low-taxing Singapore. In mid-2000, when the site was attracting 50,000 hits a month, Gilmour resigned and returned to Australia to start OzForex in earnest.

"Pretty soon after I got back I realised that my technology skills were not going to meet the needs of the business, so the first hire I made was a programmer who took my fairly amateurish efforts and turned them into a usable platform." Gilmour also started a public relations juggernaut that led to him being widely quoted as the new "champion of the little man," a sort of Aussie Home Loans for foreign exchange. OzForex is pitched at small and medium-size businesses that need to trade currency for importing or exporting, but who are seldom offered the low rates that banks charge their biggest corporate clients. It also sells foreign exchange services to expatriate Australians and New Zealanders who may need to shift money back home.

"Consumers are now quite happy not using their bank for various services, and we have tried to ride on the coat-tails of that trend. It is not really a difficult pitch to encourage customers to pay a lower price and get higher service levels."

OzForex has opened an office in London and plans to



continue its overseas expansion by what Gilmour calls "cookie-cutting" the model and rebranding it for each region (such as UKForex, CanadaForex, and so on). Its turnover in 2004-05 was \$3.4 million, up from just \$300,000 in 2002-03, and it has not had a loss-making month since it started. Gilmour says he is forecasting turnover of \$5.3 million in 2005-06, 55% more than last year.

Although he is not working the marathon hours he was when he first started the web site, Gilmour says the pattern of work is different now that he is running his own business. "There are the hours in the office, and then there are the hours that you are lying awake wondering about issues."

The company is privately owned by Gilmour and his newly appointed joint managing director, Gary Lord, who own 47.5% each. Another, non-voting shareholder has the remaining 5%. Gilmour says he was approached by a potential trade buyer last year, but he and Lord decided the company had too much potential to sell just yet.

Craig Roberts