



**STUDENT TRANSPORTATION INC.®**

**Student Transportation of America Ltd. and Student Transportation of America ULC Complete C\$116,041,400 Initial Public Offering**

TORONTO, Dec. 21 /CNW/ - Student Transportation of America Ltd. ("STA") and Student Transportation of America ULC ("STA ULC") today announced the successful closing of their initial public offering of 11,604,140 income participating securities ("IPSs") at a price of \$10.00 per IPS for gross proceeds of C\$116,041,400. In connection with this offering, STA ULC is also selling, on a private placement basis, C\$10,000,000 principal amount of separate subordinated notes that are not in the form of IPSs. Upon closing, STA and STA ULC acquired all of the issued and outstanding class A common shares and preferred shares of Student Transportation of America Holdings, Inc. ("STA Holdings"), representing an 85.1% interest in STA Holdings, and STA Holdings owns all of the issued and outstanding common shares of Student Transportation of America, Inc. The offering was underwritten by a syndicate of underwriters led by BMO Nesbitt Burns Inc. and including CIBC World Markets Inc., RBC Dominion Securities Inc., GMP Securities Ltd. and Scotia Capital Inc.

The IPSs were listed and began trading today on the Toronto Stock Exchange under the symbol STB.UN. The first monthly distribution is expected to be paid on February 15, 2005 in respect of the period from closing to January 31, 2005.

STA and STA ULC, through their subsidiaries, are the fifth largest provider of school bus transportation services in the United States, having in excess of 105 contracts with school districts in eleven states and a fleet of over 2,900 vehicles.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the IPSs in any jurisdiction. The IPSs offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States of America.

**For more information contact:**

Contact:

Denis J. Gallagher

Chairman & CEO

Phone: 732-280-4200

Email: [djgallagher@ridesta.com](mailto:djgallagher@ridesta.com)