

DEAL SOLUTIONS

After a very busy end to 2010, we are delighted that the current year is continuing in the same vein. We believe the key to this is our holistic approach, providing complete **Deal Solutions which help advisers get deals done and shareholders realise value.**

We are now entering a new phase in the economic cycle in which we expect to see a significant increase in transaction activity. There appears to a greater desire for vendors to crystallise value, reflecting a tax environment that favours capital over income, and a recognition that asset prices have stabilised for the foreseeable future. However, given the banking environment and continuing economic uncertainty, there are still challenges to getting deals done. **We can provide you with a deliverable funding solution.**

THE COMPONENTS OF THE MATRIX DEAL SOLUTION ARE:

MBO DEAL STRUCTURING

■ Whilst MBO transactions are the mechanism by which we enable shareholders to realise value, we also see increasing interest from vendors in rolling over material stakes in order to participate in future value creation and an ongoing income stream, as well as to fill the gap left by lack of bank funding. We welcome such opportunities to structure deals alongside vendors.

FINANCE

■ In addition to our core equity investments, we continue to see strong appetite for our combined debt and equity offering in circumstances where traditional bank funding is not available or difficult to access or where the repayment profile of traditional bank funding would constrain the development of the business. We are also working closely with advisers to bring banks and other equity funders into transactions to increase available funding when appropriate.

MANAGEMENT SOLUTIONS

■ Very often we find that poor succession planning and a subsequent management gap act as a barrier to realising shareholder value for vendors. We work closely with our network of Operating Partners to fill those gaps and bring sector experience to bear on deals. We also have a network of potential senior executives who can supplement management teams where such need arises.

TRANSACTING EXPERTISE

■ The experience and stability of our team means we focus on deals that can and will be completed. We deliver on our promises and will work with the adviser on all aspects of the deal to project manage it to a successful completion in a cost effective manner.





OUR CAPITAL EMPLOYED

MATRIX PRIVATE EQUITY PARTNERS HAS INVESTED £5M IN THE MANAGEMENT BUYOUT OF RDL CORPORATION, A EUROPEAN RECRUITMENT PROVIDER IN THE PHARMACEUTICAL, BUSINESS INTELLIGENCE AND IT SECTORS.

RDL WAS FOUNDED IN 1992, EMPLOYS 70 PEOPLE AND HAS ANNUAL REVENUES OF OVER £20M.



Jonathan Gregory
led the deal
for Matrix.

MATRIX DEAL SOLUTION:

DEAL

Realisation of value for founder shareholders through an MBO. Management rolled over a significant sum and the vendors received cash and deferred consideration in the form of loans.

FINANCE

Matrix put together a £7.7m funding package including £5m of equity from Matrix and the balance from an invoice discounting facility and vendor loans.

MANAGEMENT SOLUTION

Matrix Operating Partner Iain Livingston joined as investing Chairman. Livingston has significant sector experience and has helped achieve successful exits for all shareholders in two businesses Matrix previously backed.

TRANSACTIONING EXPERTISE

The Company was initially put up for sale in late 2008 but the process stalled due to market conditions. Matrix researched the sector and tracked the business for some time. This interest and credibility was important in securing and maintaining the confidence of the vendors through a lengthy process.



GREEN SHOOTS

MATRIX DEAL SOLUTION:

DEAL

Family owned business in which some members wanted to exit and others wanted to take the business forward. Matrix facilitated a change of ownership via an MBO with significant management rollover.

FINANCE

Matrix invested c. £2m as a combined debt and equity package alongside £400k of vendor finance.

MANAGEMENT SOLUTION

To strengthen the team, Matrix Operating Partner Bob Fairchild joined as investing Chairman and Jill Williams joined as Finance Director. Fairchild has helped achieve successful exits for all shareholders in a number of private equity backed businesses. Williams was previously FD of Tottel Publishing, a Matrix backed business that was successfully sold to Bloomsbury Publishing.

TRANSACTING EXPERTISE

In a challenging publishing environment Matrix brought their sector expertise to bear by being able to see through the headline trading performance to the opportunities Faversham's digital platform had created.



Chris Price led the deal for Matrix.

MATRIX PRIVATE EQUITY PARTNERS HAS INVESTED IN THE £4M MANAGEMENT BUYOUT OF FAVERSHAM HOUSE, A LEADING ENVIRONMENTAL MEDIA BUSINESS THAT PUBLISHES EUROPE'S LARGEST ENVIRONMENTAL WEBSITE WWW.EDIE.NET

FAVERSHAM WAS FOUNDED IN 1960, EMPLOYS 100 PEOPLE AND HAS ANNUAL REVENUES OF c. £10M.





PRINTING MONEY

MATRIX PRIVATE EQUITY PARTNERS HAS INVESTED IN THE £8.5M MANAGEMENT BUYOUT OF AUTOMATED SYSTEMS GROUP (ASL), A LEADING PROVIDER OF PRINT SOLUTIONS TO SMEs AND THE EDUCATION SECTOR. THIS INITIAL DEAL IS PART OF A BUY-AND-BUILD STRATEGY TO DEVELOP A LEADING PRINTING AND COPIER BUSINESS IN THIS FRAGMENTED MARKET.

ASL WAS FOUNDED IN 1991, EMPLOYS 70 PEOPLE AND HAS ANNUAL REVENUES OF c. £10M.



Guy Blackburn led the deal for Matrix.

MATRIX DEAL SOLUTION:

DEAL

Retirement sale of founder shareholders achieved through an MBO by a management team that joined the business 12 months prior to the deal.

FINANCE

Matrix put together an £8m funding package comprising £4.3m investment from Matrix, £3m of bank term debt and £0.7m of vendor loans.

MANAGEMENT SOLUTION

Matrix introduced the Chairman, Clive Parritt. Clive is currently Chairman of two other Matrix backed businesses. Matrix also introduced a new Finance Director to replace one of the retiring vendors.

TRANSACTIONING EXPERTISE

The challenges of the education sector and particular concerns about public sector spending meant that the diligence needed to be thorough and required all parties to be patient and confident that the deal would be delivered.

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