

**PRESS RELEASE****NPOWER ACQUIRES SPI GROUP FROM LYCEUM CAPITAL****Monday February 2<sup>nd</sup> 2009**

npower, a leading integrated energy company and part of the RWE Group, today announced its acquisition of SPI Group Ltd (SPI), one of Britain's largest building services companies, from Lyceum Capital, the UK private equity firm that builds mid-sized service companies. Details of the acquisition were not disclosed. The purchase is a major boost to npower's strategy of diversifying its energy services business

SPI provides mechanical and electrical installation and repair and maintenance services, primarily to the social housing and public sector markets throughout England and Wales. Major customers include local housing authorities and housing associations, such as Birmingham City Council's and Whitefriars Housing Group. SPI's commercial division delivers the Group's mechanical and electrical services, principally to public buildings such as schools and libraries.

SPI was acquired from the founding family owners by Lyceum Capital in 2007, since when it has expanded from its West Midlands base, developed its repair and maintenance business to serve some 80,000 homes and nearly doubled its order book. SPI is the fourth exit in just over 18 months from Lyceum Capital's first fund. Lyceum closed its second fund in 2008.

Access to good social housing is of particular importance in the current economic downturn. The acquisition not only enables npower to expand its commercial energy services but positions the Company to play an important role in improving the quality of some of the almost five million homes in the UK social housing sector, providing them with high-quality home energy services.

Lyceum Partner, Dan Adler, said: "The market for installations, repairs and maintenance in the UK social housing sector is estimated at over £13 billion. This is an exciting growth sector, which we are enthusiastic about. SPI is a really high quality business – and quality of services and management is what success in this sector is about; it's not a given. We have enjoyed working with Paul Dillon, Steve Huxley and their team and are delighted that a blue-chip buyer like npower will be taking the company through its next stage of growth, in an economic environment where reliable energy supply and services are sought-after essentials."

In 2007 npower hometeam, a central heating installation and boiler servicing business, was created to provide for growth in this increasingly important business area.

Kevin Miles CEO of npower retail said: "I am delighted that we have been able to acquire such a well respected, professional and quality orientated business such as SPI. This is a major step forward for npower in growing its energy services business. "Looking ahead our plan is to grow the business still further, delivering the same high quality service that current SPI customers and clients enjoy today."

Steve Huxley SPI Ltd chief executive added: "This is a very exciting development for SPI. Over the last twelve months SPI has had a number of parties expressing interest in the business and these were reviewed on their merits. The npower proposition was compelling as it enabled SPI to join a large energy services group, committed to our further growth."

Advisers on the transaction to Lyceum were M&A: M Rothschild (Roger Hemming, Alistair Allen, Richard Godwin); Financial: PwC (Chris Glazier, Peter Hague, Shashikant Lakhota); Legal: Travers Smith (Philip Sanderson, James Moon) and Tax: Deloitte (Carol Hindle). Npower's advisers were Legal: Eversheds (Keri Rees, Antony Walsh) and Financial & Commercial: Deloitte (Paul Trickett, Richard Bell). The Lyceum Capital team on the deal was Dan Adler, Rob Gershon and David Harland.

## **ENDS**

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## **NOTES TO EDITORS**

### **About npower**

- npower has 6.6 million residential gas and electricity accounts throughout the UK.
- npower is a market leader in renewable energy and sources the green energy for juice directly from renewable sources, at no extra cost.
- npower hometeam is a central heating installation and boiler service and repair business formed in 2007. npower hometeam is based in Burton-Upon-Trent and currently employs approx 350 staff.

### **About SPI Group**

- SPI Limited, established in 1966, is a major mechanical and electrical building services company, providing services to Local Authorities, Housing Associations, main contractors, and a variety of consultants and private clients.

SPI Ltd provides services to the Public Sector, New Build, Domestic and Commercial RMI markets including:

- Domestic heating and plumbing installations
  - Electrical installations, upgrades and rewires in domestic properties
  - Disabled adaptations
  - Gas repair and maintenance (R&M) in domestic properties
  - Renewable energy installations
  - Commercial mechanical and electrical (M&E) installations and maintenance services, primarily in public buildings such as schools, libraries, and leisure centres.
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- The overall marketplace, including new build and maintenance work, was worth £13.2bn on 2007. Planned and reactive maintenance expenditure was £9.0bn (Source: Office of National Statistics, CPA).

### **About Lyceum Capital**

Lyceum Capital is a leading mid-market investment firm that acquires UK businesses alongside management and builds them through consolidation and investment in growth.

Since 2000, Lyceum Capital has acquired and developed 43 companies for ten groups, including Southern Cross healthcare, acquired from private owners in 2002; Asquith, one of the UK's largest private education groups; Clinovia, a leading home healthcare company, now part of BUPA; National Britannia Group, a leading health & safety and environmental compliance services group, now part of Connaught Plc; Coperion, the global market leader in application technology and services for the plastics, chemicals and minerals industries; and SPI, which provides maintenance and support services for the social housing sector. Lyceum Capital has raised some £500 million of equity capital, dedicated to supporting the development of SMEs, primarily in the UK.

For further information, visit [www.lyceumcapital.co.uk](http://www.lyceumcapital.co.uk)