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Lyceum Capital Targets Legal Services with Appointment of Three Senior Advisers

Lyceum Capital, the UK mid-market private equity firm that recently announced its latest £255 million fund, is targeting the legal services industry to tap investment opportunities arising from the Legal Services Act 2007. To assist in identifying and evaluating investment opportunities in the legal sector, Lyceum has recruited to a new legal industry Advisory Board three senior figures: Tony Williams, Paul Hewitt and Professor Richard Susskind, OBE.

Tony Williams was Managing Partner of Clifford Chance from 1998 to 2000, undertaking the substantial reorganisation of the firm and completing its mergers with Rogers & Wells in the US and Punder in Germany. He then became Managing Partner worldwide of Andersen Legal and head of its UK practice, developing the firm's international strategy and restructuring its various groups. In 2002, Tony established Jomati Consultants, international management consultants to the legal profession.

Paul Hewitt has substantial experience in both young private and established public companies. He is currently chairman of YSC, senior non-executive director of the Kiln Group and a non-executive director of Co-operative Financial Services and GMT Global Aviation. Previously, he spent four years with the Co-operative Group, latterly as Deputy Group CEO and four years with RAC as Finance Director, after three years in the same role with Redland. At both RAC and the Co-operative Group, Paul was instrumental in developing legal services businesses offering a range of services to consumers.

Richard Susskind is an independent adviser to law firms, in-house legal departments, and national governments. He specialises in future trends in legal services and the impact of IT. He is the author of numerous books including the legal best seller, *The Future of Law*, has written more than 100 columns for *The Times* and has been invited to speak in more than 40 countries.

Described as the lawyers' equivalent of the City's Big Bang deregulation of 1986, the Legal Services Act will enable law firms to secure private or public investment and will permit non-lawyers to compete in the provision of legal services – together with or separately from legal professionals. Research by Smith & Williamson published in November last year indicated that nearly a quarter of firms interviewed would be seeking external capital in the next five years, typically of up to £20 million each. Most of those seeking capital were expected to be small to mid-sized firms and private equity was deemed a more popular source of finance than the public markets.

Lyceum Capital has a track record of successful investment in service businesses. The firm's funds provide capital for expansion through organic growth and acquisition, and the Lyceum team provides operational and strategic support to management in pursuit of growth, operational efficiencies and innovation. Lyceum anticipates that mid-market private equity firms of its size and focus can bring several strengths to legal services businesses, including investment in areas such as improved systems and IT, capital for acquisitions and the purchase of partnership equity interests, as well as expertise in accelerating growth and value.

Commenting on Lyceum's expansion into the legal services sector, Managing Partner, Jeremy Hand, says: "The legal services market is large, fragmented and offers considerable potential for continued growth – all characteristics of the sectors in which Lyceum has been successful. We anticipate consolidation of small and mid-sized legal services businesses and believe that, in spite of increased professionalisation of the legal industry in recent decades, many opportunities remain to improve service standards, efficiency and profitability. Although the Act

does not come into full force until 2011, now is the time to build the early businesses that will have first mover advantage when the Act's changes come into effect in three years' time."

Paul Hewitt comments: "The deregulation of legal services will provide many opportunities for firms to develop and improve their offering. I am excited to be working with Lyceum to identify the best of these."

Professor Susskind says: "I believe that external investment in legal businesses will be vital in coming years, not least to support the development of modern systems and processes. I am very pleased to have this opportunity to advise on the most promising IT-related investment opportunities."

Tony Williams adds: "The Legal Services Act presents many opportunities and challenges for legal services firms, but will clearly transform the profession over the medium term. I'm delighted to be working with Lyceum Capital as they have a strong and successful track record of investing in growing businesses."

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Note to Editors:

Lyceum Capital

Lyceum Capital concentrates on building value in mid-market services businesses in partnership with management teams by increasing profits, consolidating markets and promoting innovation in services.

Since 2000, Lyceum has acquired 10 'platform' companies and 33 add-on companies to augment internal improvements in building these platforms into major groups in a range of high-growth, fragmented service sectors. These companies have included Southern Cross, the UK's leading elderly care homes group (listed in 2006); Asquith Schools, the UK's largest privately held chain of preparatory schools (acquired by Cognita in 2004); Clinovia, the UK's leading independent home healthcare company (sold to BUPA for £88 million in 2006) and National Britannia Group Limited, the UK's largest specialist provider of health and safety compliance services (sold recently to Connaught plc for £91 million). Lyceum recently completed the public to private acquisition of Synexus Clinical Research plc, Europe's leading patient recruitment company to Phase III clinical trials.