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Lyceum Capital Sells NBG to Connaught Plc for £91 Million

Lyceum Capital, the private equity firm that invests in mid-market service businesses, has agreed to sell National Britannia Group Limited (NBG), one of the UK's largest specialist providers of health and safety compliance services, to Connaught plc (Connaught), a leading provider of integrated asset management services for £91 million. The transaction is subject to Connaught shareholder approval.

Since acquiring NBG as part of a management buyout in March 2005, the business has been repositioned and has received significant investment in its infrastructure and management. In addition, eight strategic acquisitions have been completed to broaden the group's range of products and services, leading to the reorganisation into four divisions: Inspection & Testing, Information Services, Advisory Services and Training. As a result of this investment and focus on growth, sales have risen 81% and EBITDA has almost tripled under Lyceum's period of ownership. NBG is today one of the UK's leading providers of bundled health and safety risk management solutions.

Commenting on Lyceum's successful exit from NBG, Lyceum Managing Partner, Jeremy Hand, said: "NBG is a good example of how private equity can accelerate the growth of a strong business in an exciting market. Alex Sleeth and his team have done a great job in realising the vision we all had and we wish them well in the next stage of NBG's development."

Alex Sleeth, NBG's Managing Director, added: "Private equity has served this company well, with Lyceum helping us define and implement a growth strategy and identify and complete the right acquisitions for that strategy. We now look forward to further development under Connaught."

The Lyceum team on the transaction was Mark Hall and Jeremy Hand. Advisers to Lyceum Capital were Close Brothers (corporate finance), Travers Smith (legal), M&A Solicitors (legal) and Deloitte (accounting and commercial due diligence). Advisers to Connaught were Altium (corporate finance), Jones Day (legal) and Deloitte and PwC (accounting due diligence).

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NOTES TO EDITORS

About Lyceum Capital

Lyceum Capital concentrates on building value in mid-market services businesses in partnership with its management teams through investment in profits growth, market consolidation and strategic innovation.

Lyceum Capital Fund I's investments include Southern Cross, the elderly care homes group sold to Blackstone for £167 million in 2004 and listed in 2006; Asquith Schools, acquired by Cognita in 2004; Clinovia, the leading independent home healthcare company, sold in 2006 to BUPA for £88 million and Coperion, the global market leader in application technology and services for the plastics, chemicals and minerals industries, sold to Deutsche Beteiligungs AG for €300 million.

Since 2000, Lyceum has acquired 41 companies including nine platforms in healthcare, education, outsourcing, social housing services, technology and industrial services. After the completion of the NBG sale, Lyceum Capital Fund I will have returned £347 million to fund investors and co-investors.

For further information, please visit www.lyceumcapital.co.uk

About National Britannia Group

The National Britannia Group, based in Caerphilly, Wales, is the UK's leading independent provider of safety, health and environmental risk management services, employing a total of around 770 people. More than 250 of these personnel are scientists or other qualified professionals. The business provides leading edge solutions in disciplines such as health & safety, food safety, water quality control, environmental management, occupational health, fire safety and asbestos management. It is also a recognised leader in the provision of related training. Its heavy commitment to research and development has led to the creation of e-riskMANAGER, the world's first interactive web-based risk management system. For more information, please visit: www.natbrit.com

About Connaught plc

Connaught is one of the UK's leading providers of integrated asset management services to public and private property. It has two divisions: Social Housing, representing approximately 85% of group revenue, and Compliance Services, accounting for approximately 15% of group revenue. Connaught's headquarters are in Exeter and it has offices throughout England, Scotland and Wales. The company, which employs over 5,000 people, was founded in 1982, listed on the AIM part of the London Stock Exchange in 1996, and in 2006 moved to the main market, with a market capitalisation at September 2007 of around £330 million. For further information, please visit www.connaught.plc.uk