

11 December 2006

Lyceum Capital Backs SPI Ltd

Lyceum Capital, the private equity firm that invests in mid market consumer and business service businesses, today announced its investment in SPI Ltd, an independent building services company growing market share in essential services installation, repairs, maintenance and support services for the social housing sector.

SPI is currently the market leader in its sector in the West Midlands, having established partnerships with eight local authorities and housing associations. The company employs over 500 and has turnover in excess of £38 million.

SPI will use Lyceum's investment and strategic support to accelerate its expansion in the social housing services market in and beyond the West Midlands and will also further diversify its services

Approximately five million homes in the UK are classified as "social housing", owned mainly by local authorities or housing associations. In 2000 the government launched the Decent Homes Initiative, seeking to eradicate the £19 billion backlog of repairs and improvements needed to bring 2.1 million homes - 50% of the total social housing stock - to meet basic standards of decency. Total annual spend on the English social housing market alone between 2006 and 2010 is expected to exceed £10.5 billion per annum.

The existing management, which established SPI in 1966, will continue as shareholders in SPI. Steve Huxley will join the Business as Group CEO and will work closely with Managing Director, Paul Dillon, and the other Directors to drive the next stage of SPI's growth. Lyceum Partners Dan Adler and David Harland will also join the Board.

Dan Adler, Partner, Lyceum Capital, said: "We are looking forward to working with the SPI team and to continue to build the company in partnership with the management team. This is a forward thinking company with a strong reputation for providing highest quality services and is consistently rated best-in-class by tenants and resident bodies."

Steve Huxley, former Managing Director of Cleanaway UK and Group Chief Operating Officer of HBS, said "I am delighted to be joining the SPI team and look forward to building on the undoubted strengths of the Company. The Business has a very good reputation in the market and provides an excellent growth platform".

Paul Dillon, SPI's Managing Director, said: "We are delighted to have formed this partnership with Lyceum Capital. Their funding and guidance will give us the ability not only to broaden the range and scope of services we offer, but to invest in new technology that will improve and enhance the services we offer our customers."

Debt for the investment is being supplied by Lloyds TSB. Advisers on the transaction were, for Lyceum Capital: Livingstone Guarantee (M&A) KPMG (accounting) and Olswang (legal) and for SPI: Deloitte (corporate finance). The Lyceum team on the investment were Dan Adler, Grant Davidson, David Harland and Mark Hall.

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Note to editors:

About Lyceum Capital

Founded in 1999, Lyceum Capital concentrates on building value in mid-market services businesses in partnership with its management teams through investment in profits growth, consolidation and strategic innovation.

The firm achieved its full independence from WestLB with the assistance of AlInvest Partners, AXA Private Equity, GIMV and European Investment Fund earlier this year,.

Lyceum Capital'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, National Britannia and Coperion, the global market leader in application technology and services for the plastics, chemicals and minerals industries.

Since 2000, Lyceum has acquired 34 companies including 8 platforms in healthcare, education, outsourcing and technology and industrial services and has returned £193 million to fund investors and co-investors.

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

About SPI

Established in 1966 by the Dillon Family as a small plumbing and heating company, SPI has become a major, independent building services organisation. SPI undertakes domestic installation and repair and maintenance services and offers a 24-hour emergency call out service, 365 days a year. It currently undertakes around 8,000 central heating installations annually, whilst providing maintenance to over 60,000 properties. Installation projects are on behalf of Local Authorities and Housing Associations. Its industrial services include the refurbishment of schools, office blocks and public buildings and the installation of heating, ventilation and air conditioning systems, as well as sophisticated controlled climate and energy saving systems.

SPI is headquartered in Staffordshire with numerous offices around the Midlands, and employs over 500 staff.

For further information, please visit www.spi-ltd.co.uk