



7 July 2008

MML Capital Partners backs the £40m management buyout of EIC
Mezzanine Management becomes MML Capital Partners

MML Capital Partners (“MML”), formerly Mezzanine Management, announces today that it has led the MBO of EIC (“EIC” or “the Company”), a UK provider of mechanical and electrical services to the public and private sectors. MML has backed EIC’s incumbent management team, led by Ian Lyall and Nigel Le Marechal, who have invested for a significant equity stake in the Company. The deal was introduced to MML by Livingstone Partners and senior debt was provided by The Royal Bank of Scotland (“RBS”). The total consideration for the transaction was around £40m.

The transaction enabled Lyall and Le Marechal to acquire the business from the founding family and is consistent with MML’s long term strategy of partnering with owner-managers of growing businesses. This deal follows similar recent UK investments in care home operator The Regard Partnership and contract caterer, Baxter Storey. EIC is the tenth investment from MML’s fourth fund.

Separately, Mezzanine Management also announces that it has completed the conversion to a Limited Liability Partnership, and will henceforth operate under the new name of **MML Capital Partners LLP**.

EIC

EIC is headquartered in Alcester in the West Midlands and operates eight regional offices throughout England and Scotland. Founded in 1971, the Company has become an established provider of mechanical and electrical contracting services and test and maintenance solutions to household names such as Tesco, Marks & Spencer and Enterprise Inns. EIC generated revenues of £74.3m in 2007.

The buyout will bring about a simplified ownership structure and access to funds for further expansion in the UK. In addition, MML has made two key introductions to the Company which will further strengthen the existing management team. Chris Woodward, the former CEO of Staveley Industries and the former Chairman of Rolls Royce and Bentley Motorcars, joins EIC as Chairman and Martin Glanfield, a highly experienced financial director, will join the team as the new FD. MML partner Ian Wallis will join the EIC Board.

The MML deal team comprised Ian Wallis, Bal Johal and Luke Jones.

Commenting on the deal, MML’s Ian Wallis said: “This is a fantastic opportunity to support a management team who have successfully grown EIC through a relentless focus on service and quality. We respect and recognise the heritage of the business and believe that with the new additions to the management team and our financial backing, EIC is very well placed to continue to grow market share and expand the range of services it offers.”

Debt facilities for the transaction were provided by RBS. While EIC is a new customer of RBS, this is the second consecutive transaction in which RBS has participated alongside MML. Simon Greenhill and Simon Sherliker from RBS Corporate and Structured Finance led the team in providing a bespoke senior debt and working capital funding solution facilitating the MBO. Simon Greenhill commented: “The RBS team is delighted to have assisted EIC with this strategic MBO. EIC is a quality business, with an excellent track record and an

experienced, knowledgeable management team. We wish the business every success for the future and look forward to partnering them in delivering their aspirations.”

The family shareholders originally approached Livingstone Partners to help identify a partner that would assist with the future growth of the Company, whilst retaining the Company’s core values. Phillip McCreanor of Livingstone Partners said: “We enjoy working with family owned businesses and assisting them to realise their objectives, and our experience has stood us good stead in achieving this result for EIC’s shareholders. This deal has allowed Ian and Nigel to stay involved in the company and to restructure the shareholder base to facilitate the exciting growth plans of the management team. We are delighted to have completed this transaction with MML Capital Partners, and believe they will be a very good partner for the Company.”

MML change in ownership structure

MML’s new ownership structure is an important milestone in the firm’s twenty year history. Following the conversion, 11 new partners will take stakes in the firm. The partnership’s new name is recognition that markets have evolved since the firm’s inception, and the original name came to signify a narrower business model than the firm’s mandate. MML remains committed to its long term strategy: providing all levels of capital from equity through to mezzanine to growing companies.

Rory Brooks, Founding Partner of MML, said:

“We are delighted to have partnered with the EIC management team and look forward to supporting the Company’s continuing growth. This deal demonstrates our commitment to a flexible investment approach, whereby each investment is carefully tailored to the company’s needs. In this case we worked closely with the incumbent management team to understand the needs of all parties involved.

“MML’s new name and ownership structure mark our twentieth anniversary and reflect the team’s dedication to our business. We have invested over £1.0 billion in 76 companies across 11 countries since our inception in 1988, generating excellent returns for our investors. We remain committed to our business and the management teams and companies we back.”

- Ends -

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Notes to Editors

MML Capital Partners

- MML is an independent investment firm, with over £1 billion invested across 11 countries over the past 20 years. It provides capital to businesses for expansion/acquisitions, recapitalizations and leveraged and management buy-outs.
- MML has offices in London, Paris, Frankfurt and Stamford, Connecticut and an affiliated Central European Fund with offices in Vienna, Budapest, Warsaw and Bucharest.
- MML’s most recent investments from its current Fund IV include:
 - Investment in Argyle Security Inc., a provider of physical electronic security services and solutions based in San Antonio, Texas (April 2008)
 - Investment in W.I.S Group, a German provider of security services, technology and systems to businesses (February 2008)
 - Refinancing of Baxter Storey, a UK-based contract caterer for a significant minority stake (December 2007)

- Acquisition of TNT Cranes and Rigging, a full-service crane and rigging operator based in Houston, Texas (November 2007).
- Acquisition of the Carré Blanc Group, a French specialized distributor of household linens, alongside Caisse des Dépôts Capital Investissement and management (October 2007).
- Financing of the leveraged buyout of France Géothermie, a French leader in the design, assembly and sale of geothermic and aerothermic heat-pump systems, led by Banexi Capital Partenaires (July 2007).
- Acquisition of a minority equity stake in the Regard Partnership Limited, a UK residential care provider for people with permanent learning disabilities (April 2007).
- For more information visit www.mmlcapital.com

EIC

- EIC is a provider of mechanical and electrical contracting services and test and maintenance solutions to private and public sector customers across the UK.
- EIC's teams supply project management, design, supply, installation, testing, commissioning and maintenance of electrical, mechanical, control and data management systems.
- Founded in 1971, EIC is headquartered in Alcester in the West Midlands and employs over 600 highly skilled people, working from a network of eight offices in England and Scotland.
- For more information see www.eicLtd.com.

The Royal Bank of Scotland Group:

The RBS Group is one of the world's leading financial services companies providing a range of retail and corporate banking, financial markets, consumer finance, insurance, and wealth management services. RBS Group operates in over 50 countries across Europe, the Americas, Asia and the Middle East serving more than 40 million customers and employing more than 170,000 people. In addition to the provision of a full range of banking services under The Royal Bank of Scotland and NatWest brands, RBS Group also includes ABN AMRO, Citizens Financial Group, Ulster Bank, Coutts Group, Direct Line and Churchill.

Livingstone Partners:

Livingstone Partners LLP is an international investment banking boutique focused on mid-market transactions. The team consists of 70 staff operating out of offices in London, Madrid and Chicago. Livingstone focuses on four core sectors, Industrial, Business Services, Consumer and media:tech. For further information visit www.livingstonepartners.com

Full list of advisers:

Equity: **Deloitte** Richard Edwards, Carol Hindle, Nigel Varley (FDD), Warren Chester, Alice Mu (CDD), **Eversheds** Mark Spinner, David Boyd, Debbie Fuller, Theresa-Marie Stodell (Legal)

Vendors: **Livingstone Partners** Phil McCreanor, Graham Carberry, Alex John (Corporate Finance), **DLA Piper** Jim Lavery, Tim Lake, John Pryor (Legal)

Debt: **RBS** Simon Greenhill, Rob Wood