

17 June 2004

**Mezzanine Management Backs £12.1 million Cash Offer for the Public-to-Private of UK's Largest Dental Chain**

Mezzanine Management (UK) Limited ("MML"), the independent mezzanine and private equity provider, today announces that it has provided £9.5m of mezzanine debt, through the funds it advises, to fund the cash offer to take private Integrated Dental Holdings plc ("IDH"). IDH is one of the UK's largest dental chains with 123 practices, including the Whitecross dental centres, and the largest supplier of NHS dentistry.

This transaction represents a public-to-private transaction funded without an equity sponsor and reflects the increasing use of self-sponsored mezzanine finance in management buyouts.

The management buyout is being led by David Hudaly, IDH's Chief Executive, and his team.

The cash offer is 40 pence per share, valuing the equity in IDH plc at approximately £12.1 million and offers a premium of approximately 30.3 per cent over 30.7 pence per IDH share, the average closing mid market price for the 30 business days prior to the commencement of the offer period.

In the year ended 31 October 2003, IDH generated turnover of £68.8 million and EBITDA of £4.0 million.

The UK dental market is valued at approximately £3 billion in annual revenues, of which NHS dentistry accounts for over £2 billion. IDH is the only UK dental company to have been selected for the UK Government's Options for Change ("O4C") pilot scheme, a Government-funded initiative to increase wider access to NHS dentistry.

Commenting on this transaction, Rolf Brien, a Managing Director of Mezzanine Management, said:

*"IDH is one of the clear market leaders in the highly fragmented UK dental market and is well positioned to capitalise on the changes in Government funding for NHS dental practices.*

*We have been attracted by the company's dominant market position, the anticipated growth in the UK dental market, particularly in the NHS segment and, in particular, the quality of IDH's management team."*

Hammonds (legal) advised Mezzanine Management; KBC Peel Hunt (financial) and Pinsents (legal) advised Diverse Holdings Limited (the company formed specifically for the purposes of making the offer); Altium Capital advised the independent directors of IDH.

- Ends -

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For further information:

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## **Notes to Editors**

### **Mezzanine Management**

- Mezzanine Management was founded in 1988 and was the first independent mezzanine investor in Europe. Over the past 15 years, it has evolved into one of the leading independent European mezzanine and private equity investment firms with over US\$1 billion invested in 70 companies across 11 countries.
- Mezzanine Management companies advise funds that provide mezzanine and private equity to growth companies in the US and across Europe. The funds typically invest between €10 million and €50 million in each company in a range of transaction situations including buy-outs, buy-ins, development capital and acquisition finance.
- MML has offices in London, Paris, Frankfurt and Stamford, Connecticut in the US. It employs 14 investment professionals.
- MML has over €1 billion under management, raised from third party investors comprising institutions based in Europe, the US, the Middle East and the Far East. Its current fund, Mezzanine Management Fund III, closed in June 2000 with a final closing of just under US\$530 million.
- Mezzanine Management UK Ltd. is regulated by the FSA.