

Manchester's Corporate Finance Quarterly Review

pro.manchester
BRINGING BUSINESS TO PROFESSIONALS



Page 2 Quarterly Analyses

- Disclosed and undisclosed deals for Manchester based advisor & UK deals
- Deal Type – Volume for Manchester based advisor deals
- Source of Funds – Volume for Manchester Advisor based deals

Page 3 Manchester Advisors in the UK

- Deals by Value & Volume Manchester & UK for the past 2 years
- Percentage of Manchester Deals by Volume & Value for the last 2 years (Manchester & UK) split into small, medium & large

Page 4 Early Stage Analyses

- Deal Type-Volume and Value for the last year
- Industry-Volume and Value for the last year
- Geographical-Volume and Value for the last year

Page 5 Medium Stage Analyses

- Deal Type -Volume and Value for the last year
- Industry-Volume and Value for the last year
- Geographical -Volume and Value for the last year

Page 6 Large Stage Analyses

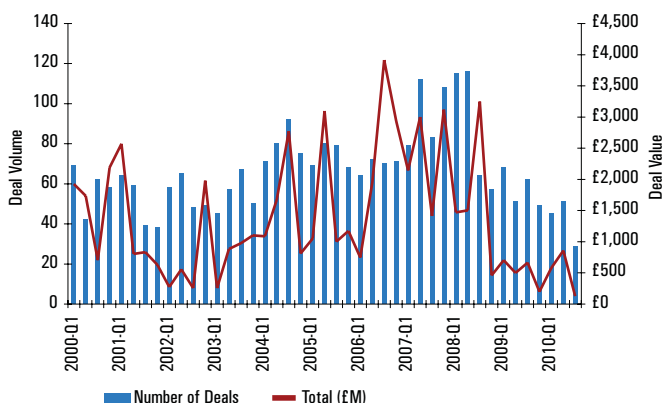
- Deal Type -Volume and Value for the last year
- Industry-Volume and Value for the last year
- Geographical -Volume and Value for the last year

Page 7 Deals for Manchester Based Advisors

Dear Reader,

pro.manchester, in association with Experian Corpfin, are pleased to present you with the Corporate Finance Review for Q3 2010. The aim of this publication is to provide you with a keen insight into the mechanisms of Manchester's corporate finance market. Rather than simply looking at the deals done in Manchester we take a different angle, examining instead those deals that Manchester-based advisors have worked on, irrespective of the location of the parties to the transaction. We believe that this approach provides a unique and informative perspective on the corporate finance market as well as a detailed view of the true reach of Manchester's advisory community. We hope you enjoy reading this publication, and we welcome your feedback.

Manchester Adviser Transactions 1st January 2000 to 30th September 2010



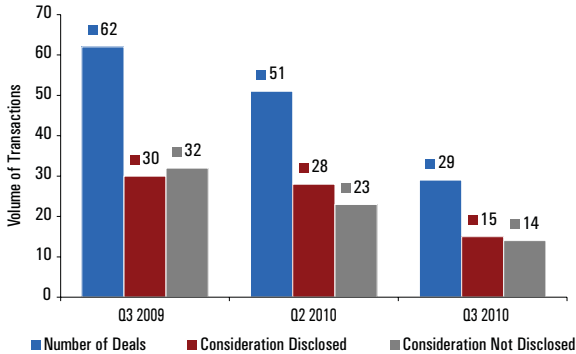
Key findings:

- The volume and value of deals that Manchester-based advisors worked on fell dramatically between Q2 and Q3 2010. The deal count fell from 51 to 29 deals (a 43% decline) and the value of deals shrank from £855m to £127m (85%)
- Across the UK as a whole, whereas the overall number of deals declined slightly between Q2 and Q3 (14%), the total volume of deals actually increased by 17% to £71bn
- Between Q2 and Q3, the number of deals in the small-cap segment (consideration <£10m) fell by 38% to just ten deals, and the value of deals in this category dropped by 36% to £100m
- In the mid market (consideration £10-£100m) deal flow halved, dropping to just five deals, with the value of these deals falling by 35% to just over £100m. The large-cap segment (£100m+) recorded no deals in Q3
- Acquisitions were the most popular deal type in Q3 for Manchester-based advisors, although - with 12 transactions - this deal count is one third of the figure for the same quarter the previous year
- Manchester advisors were most active within the Manufacturing Sector in Q3, working on a total of 11 deals, with a combined value of over £28m
- Looking at the UK industry as a whole, in Q3 the leading sector in value terms was the Wholesale, Retail and Repair sector, with eight deals (£82.5m)
- Outside the Northwest region, since the beginning of Q4 2009, the majority of work for Manchester-based advisors has been in London & the South East, having represented 27 deals with a combined value of £337m
- The largest deal of Q3 (where the deal value was disclosed) was the £48m acquisition of Opus Homewares Ltd by B&M retail Ltd

pro.manchester chief executive John Ashcroft said: "Quarter 3 has been a difficult period for the UK economy as a whole. There is some uncertainty in the market pending the comprehensive spending review, however it is encouraging to see that deals are still taking place and that Manchester professionals continue to have a strong presence outside the North West reinforcing our position as a leading centre for Financial and Professional services outside of London."

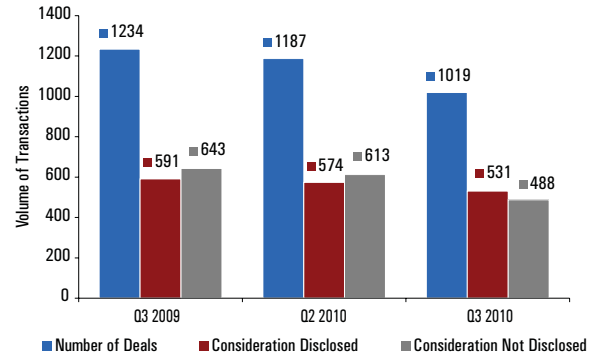
Quarterly Analysis for All Deals (Disclosed and Not Disclosed)

Total Deal Volume for all Deals - For Manchester Advisor Transactions



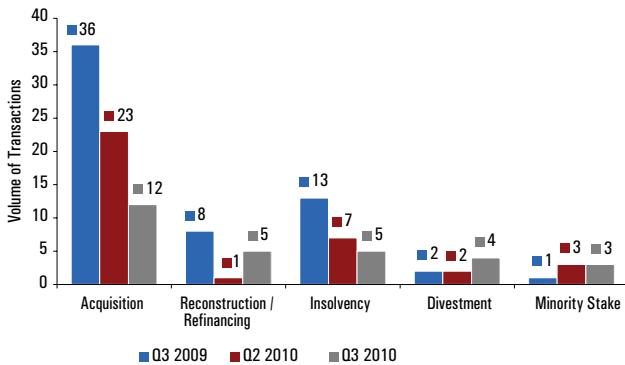
The number of deals that Manchester-based advisors worked on fell from 51 to 29 deals (a 43% decline) and the value of deals shrank from £855m to £127 (85%)

Total Deal Volume for all Deals - For all UK Transactions



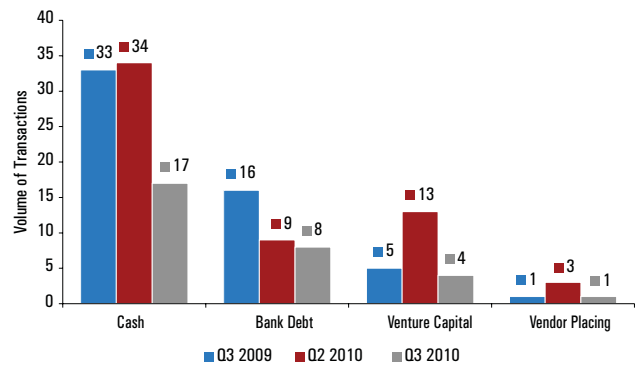
Across the UK the overall number of deals declined slightly between Q2 and Q3 (14%)

Deal Type by Volume - For Manchester Advisor Transactions



Acquisitions were the most popular deal type in Q3 for Manchester-based advisors, although - with 12 transactions - this deal count is one third of the figure for the same quarter the previous year

Source of Funds by Volume - For Manchester Advisor Transactions



Cash was the most popular method of funding a transaction. However, the number of cash transactions fell by 50% to 17 deals

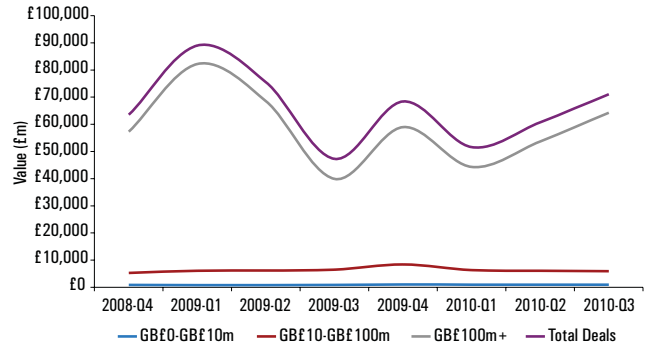
Analysis of Manchester Based Advisor Transactions

All Manchester Advisor Transactions compared to UK Oct 1st 2008 to Sept 30th 2010

Deals by value for Manchester Advisor Transactions over the Past 2 years



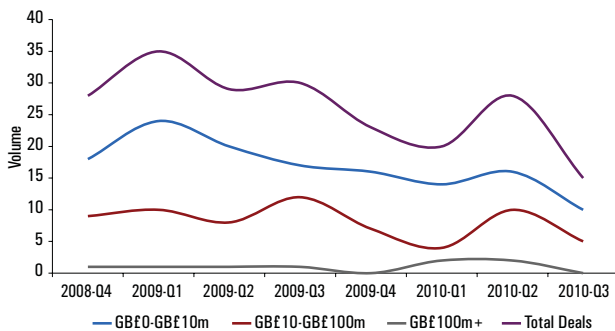
Deals by value for all UK Transactions over the Past 2 years



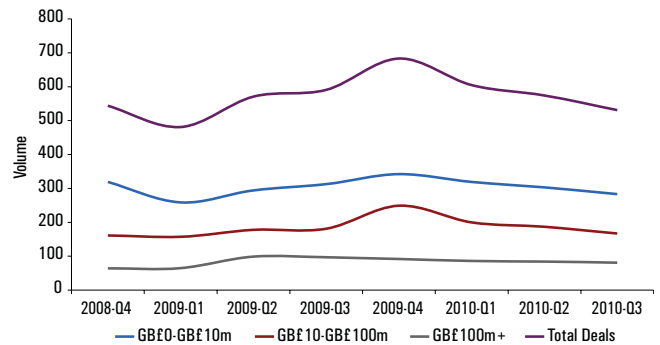
The total value of deals for Manchester-based advisors peaked at £855m in Q2 this year, but fell to £127m in Q3

Since the beginning of 2010 the total value of deals for UK deals is £183.45bn

Deals by Volume for all Manchester Advisor Transactions over the Past 2 years



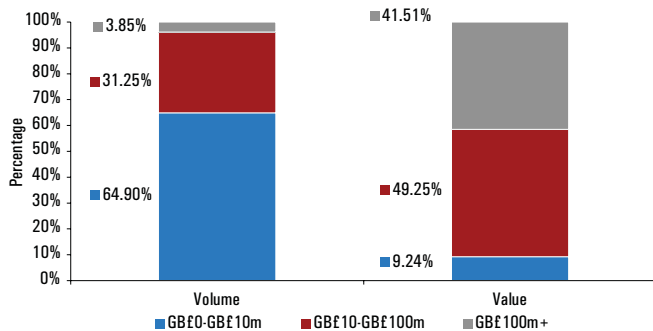
Deals by Volume for all UK Transactions over the Past 2 years



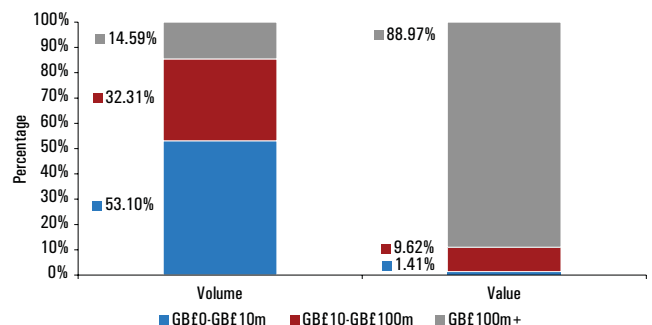
In Q3 there were no deals in the large-cap segment. This was the first time there had been no deals in this category since Q4 2009

The total number of deals with a value across the UK fell by 7.49% between Q2 and Q3 2010

Percentage of all Manchester Advisor Transactions by Volume and Value



Percentage of all UK Transactions by Volume and Value



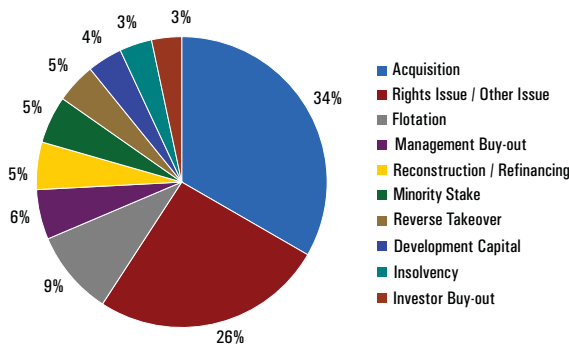
Over the past two years, in terms of the value of deals, some 42% of transactions by Manchester-based advisors have been in the £100m+ segment. However in volume terms, almost 65% of deals have fallen into the sub-£10m category

Over the past two years, almost 89% of all UK deals have been in the large-cap segment

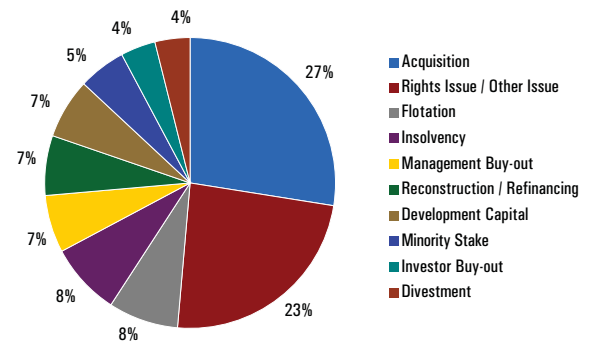
Manchester Based Advisor Transactions

Early Stage Deals (GB£0-£10m) Oct 1st 2009 to Sept 30th 2010

Deals by Value Consideration under £10m



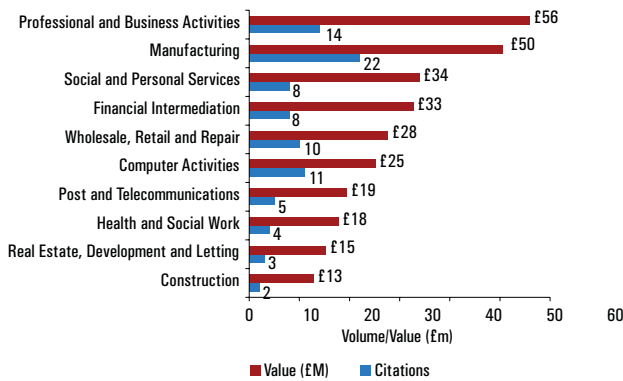
Deals by Volume Consideration under £10m



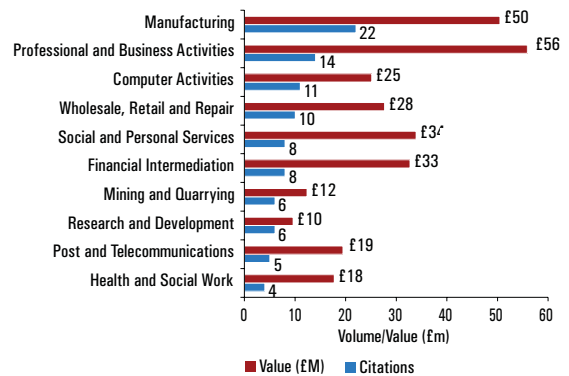
Deal Type - Since the beginning of Q4 2009, in value terms, acquisitions have formed the largest single type of transaction for Manchester-based advisors, capturing 34% of all deal flow

Deal Type - Since the beginning of Q4 2009, acquisitions have accounted for 27% of all deal flow for Manchester-based advisors, in terms of the volume of deals

Deals by Value Consideration under £10m



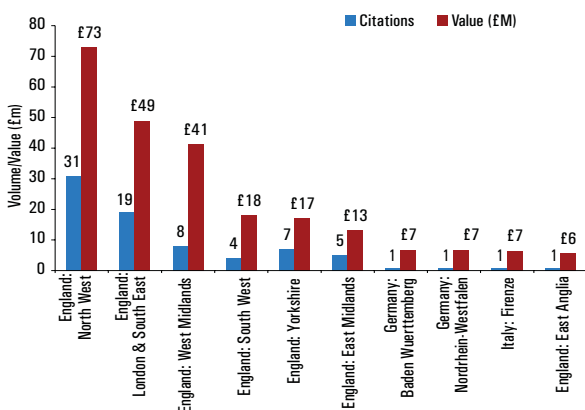
Deals by Volume Consideration under £10m



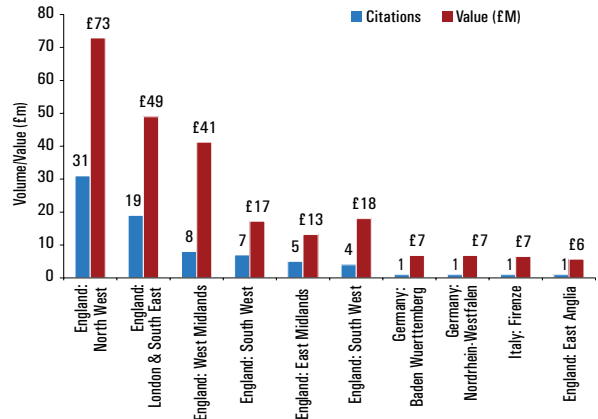
Sector Reach - The most popular sector has been the Professional and Business Services Activities sector, with 14 deals accounting for some £56m

Sector Reach - By volume, manufacturing has been the most popular, with 22 deals, registering a combined value of £50m

Deals by Value Consideration under £10m



Deals by Volume Consideration under £10m



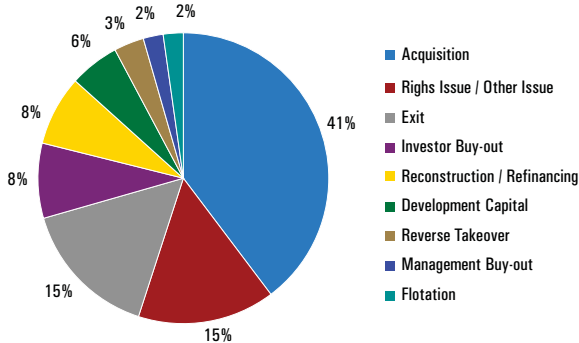
Geographic Reach - Manchester-based advisors have been most active in the North West region, representing 31 deals with a combined value of £73m

Geographic Reach - Outside the Northwest region Manchester's advisors have been most active in London & the South East, representing 19 deals with a total value of £49m

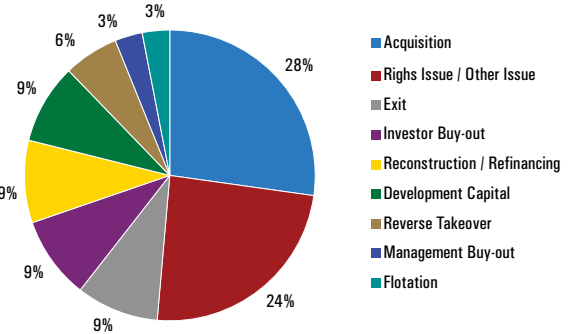
Manchester Based Advisor Transactions

Mid-Market Deals (GB£10-£100m) Oct 1st 2009 to Sept 30th 2010

Deals by Value Consideration between £10m and £100m



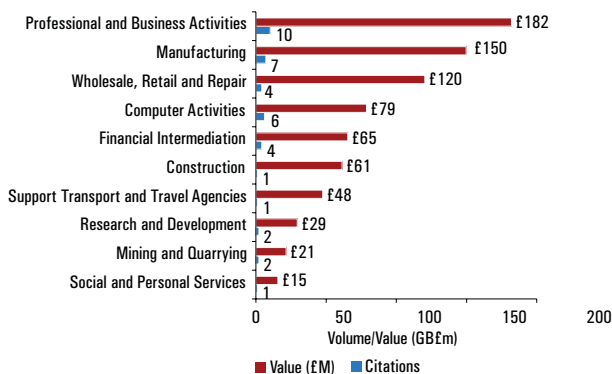
Deals by Volume Consideration between £10m and £100m



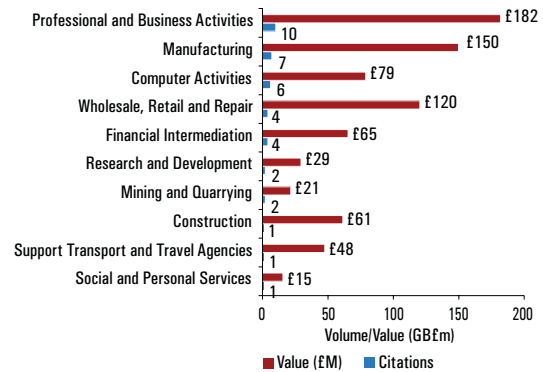
Deal Type - In the mid-market segment, for the 12-month period ending Q3 2010, acquisitions accounted for 41% of the total value of deals

Deal Type - Since Q4 2009, acquisitions in the mid-market segment have accounted for 28% of all deals, in volume terms

Deals by Value Consideration between £10m and £100m



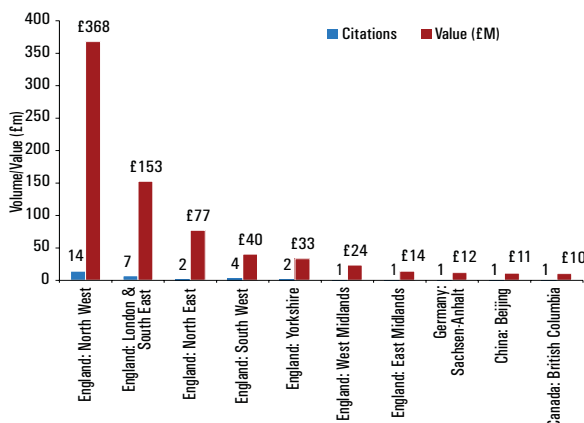
Deals by Volume Consideration between £10m and £100m



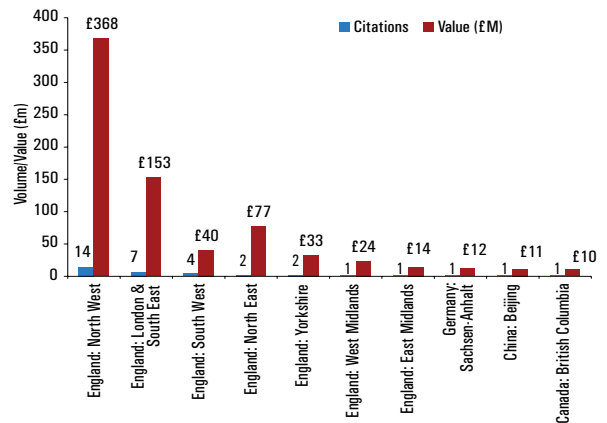
Sector Reach - The most popular sector has been the Professional and Business Activities sector, with £182m transacted across 10 deals

Sector Reach - The Wholesale Retail & Repair Sector recorded the highest average deal value, with an average of £30m per transaction

Deals by Value Consideration between £10m and £100m



Deals by Volume Consideration between £10m and £100m



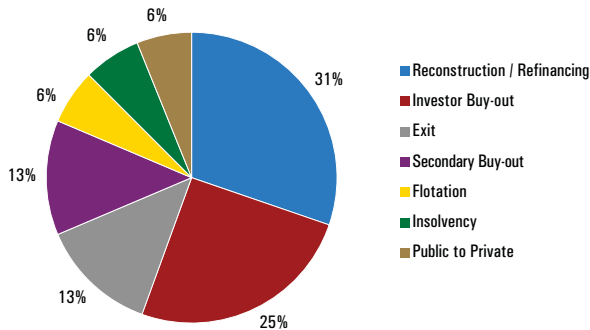
Geographic Reach - The North West has been the core focus for Manchester-based advisors, with 14 deals raising £368m

Geographic Reach - Outside the Northwest, the second most important region for Manchester-based advisors was London & the South East, where advisors represented seven deals totalling £153m

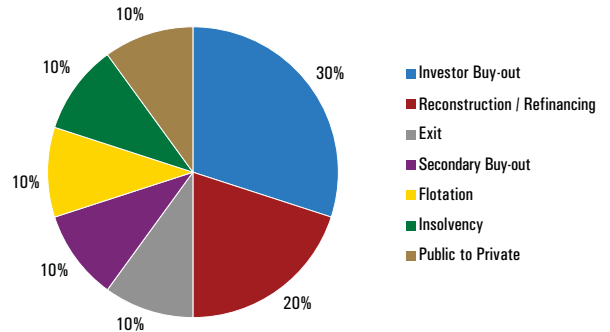
Manchester Based Advisor Transactions

Large Deals (GB£100m Plus) Oct 1st 2009 to Sept 30th 2010

Deals by value Consideration over £100m



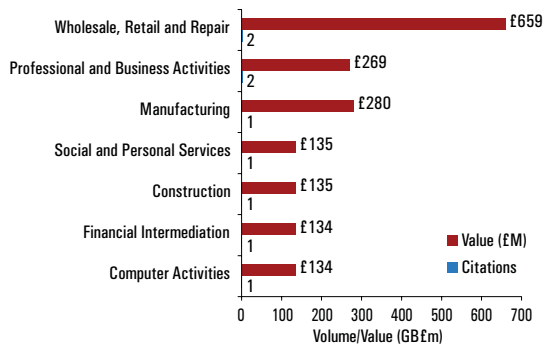
Deals by volume Consideration over £100m



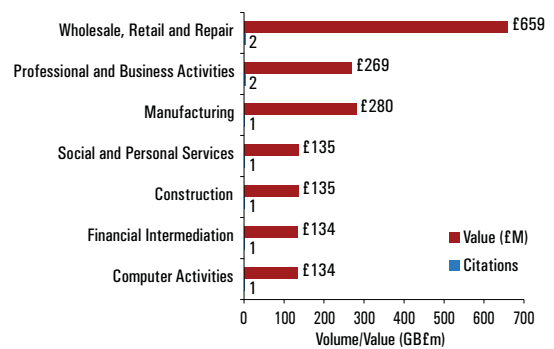
Deal Type - In the large-cap segment, since the beginning of Q4 2009, 25% of the total work of Manchester-based advisors has been investor buyouts transactions

Deal Type - Over the period, reconstruction/refinancing deals accounted for one-fifth of all deals across the segment

Deals by value Consideration over £100m



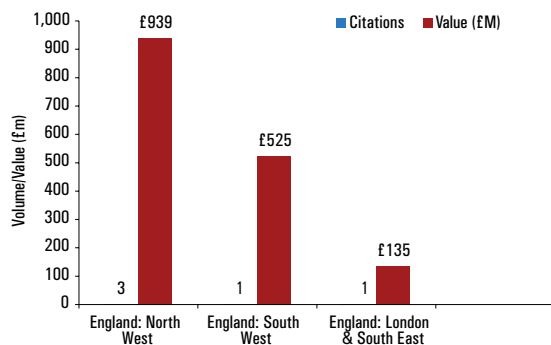
Deals by volume Consideration over £100m



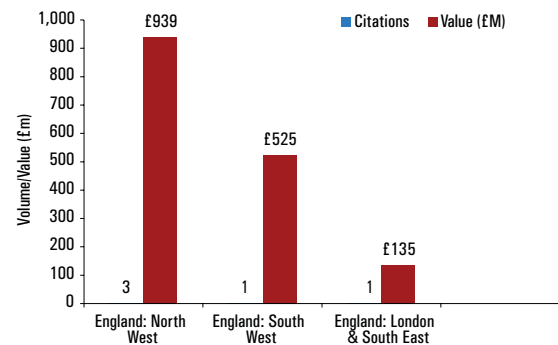
Sector Reach - The Wholesale, Retail and Repair sector was the most prosperous, with £659m transacted across just two deals

Sector Reach - There has been one large deal in the manufacturing sector, and clocking in at £280m, makes this the second most prosperous sector

Deals by value Consideration over £100m



Deals by volume Consideration over £100m



Geographic Reach - There were three deals in the North West for Manchester's advisors, chalking up a total deal value of £939m

Geographic Reach - Manchester-based advisors represented just one deal in the large-cap segment in the South West region, with a value of £525m

Q3 2010 Manchester Based Advisor Transactions

Announced	Target	Bidder	Deal Type	Consideration (£m)
28/09/10	Richard Whittaker Ltd, England		Reconstruction / Refinancing	3.60
27/09/10	Dormex Containers Ltd, England		Reconstruction / Refinancing	1.35
23/09/10	Quotient Diagnostics Ltd, England	EKF Diagnostics Holdings Plc, England	Acquisition, Rights Issue / Other Issue	5.68
09/09/10	European Wood Products Ltd, England	Brathay Investments, England	Acquisition	-
06/09/10	Manchester Academy Tours Ltd, England	TUI AG, Germany	Acquisition	-
26/08/10	Speciality Chemical Distribution Business of Warwick International Group Ltd, Wales	IMCD Group BV, Netherlands	Acquisition	-
25/08/10	Simpson Leisure Ltd, England		Divestment, Insolvency	-
24/08/10	AJ Smith & Co Ltd, England	Prest Financial Services Ltd, England	Acquisition	-
18/08/10	Amdega Ltd, England	Private Group Led By Endless LLP, England	Investor Buy-Out	-
16/08/10	Opus Homewares Ltd, England	B&M Retail Ltd, England	Acquisition	48.00
16/08/10	Hargreaves Training Services Ltd, England	System Training Ltd, England	Acquisition	-
16/08/10	Optasia Medical Ltd, England	Private Group led by Saffron Hill Ventures, England	Investor Buy-Out, Insolvency	-
13/08/10	Castle Venlaw Hotel, Scotland		Divestment, Insolvency	0.80
13/08/10	Auchen Castle Hotel, Scotland		Divestment, Insolvency	1.25
13/08/10	Regal Food Products Group Plc, England		Reconstruction / Refinancing	-
12/08/10	CWIO Ltd, England	Hut Group Ltd, England	Acquisition	0.60
11/08/10	InforMed Direct Ltd, England	United Drug Plc, Ireland	Acquisition	17.30
04/08/10	Boulters Ltd (The), England	Rushcliffe Care Ltd, England	Acquisition	-
30/07/10	Coe Group Plc, England	Digital Barriers Plc, England	Acquisition, Flotation: Coe Group Plc delisted from Alternative Investment Market (AIM)	3.30
30/07/10	High Legh Park Country Club Ltd, England		Divestment, Insolvency	-
30/07/10	Optare Plc, England	Ashok Leyland Ltd, India	Minority Stake, Rights Issue / Other Issue	5.64
28/07/10	Kryso Resources Plc, England	China Nonferrous Metals International Mining Co Ltd, China	Minority Stake	10.99
27/07/10	Monsal Ltd, England		Development Capital	14.00

Q3 2010 Manchester Based Advisor Transactions

Announced	Target	Bidder	Deal Type	Consideration (£m)
23/07/10	BDS Fire and Security Ltd, England	ID Support Services Ltd, England	Acquisition	-
21/07/10	Alfred Jones (Warrington) Ltd, England		Reconstruction / Refinancing	10.00
20/07/10	Travel 118 Ltd, England	World Travel Holdings Inc, USA	Minority Stake	-
14/07/10	Scancell Holdings Plc, England		Flotation: Scancell Holdings Plc transferred from PLUS Markets Group (Ofex) to null	-
13/07/10	ADAM Communication Systems International Ltd, England		Development Capital	1.50
07/07/10	Car Transplants Ltd, England		Reconstruction / Refinancing	3.00