

ECI and Support Services

Over the last two decades, ECI has established a successful track record of investing in Support Services businesses, a selection of which are highlighted in this brochure. Our team has developed a wealth of expertise in the outsourcing arena, as well as an extensive network of contacts that can be harnessed in the generation, evaluation and support of investment opportunities.

We continue to see attractive opportunities in Support Services, in the form of both buyouts and buy-ins. These continue to come from private vendors who have built successful, small operations and as a result of corporate restructurings among larger businesses. ECI has the expertise and deep industry understanding necessary to develop businesses to their full potential.



What business characteristics does ECI look for?

The support services sector has grown substantially over the last 20 years and shows every sign of continuing to grow over the next decade. ECI is attracted to businesses that are positioned to take advantage of this positive market dynamic. Often the companies that we invest in will operate in a market niche where there are high barriers to entry or where their offering is differentiated from their competitors. Contracted, or repeat revenue streams are another characteristic that makes business services and outsourcing businesses particularly attractive to ECI. Such highly visible future revenues allow efficient finance structures to be put in place and provide a strong base from which to develop new offerings and expand into new geographies.

We find support services companies that serve the public sector to be equally attractive to those serving the private sector. Public sector customers can be particularly valuable in that the client base is stable, the risk of bad debts is low and the contracts tend to be relatively secure. However, the private sector tends to have a shorter sales cycle enabling fast growth and a wider universe of potential customers.

Working with ECI

ECI seeks to work with companies requiring finance of between £10 million and £150 million and has the resources and ability to tackle the most complex transactions. Our investments include buyouts, buy-ins, acquisition and expansion financings.

Axell Wireless

Solutions for the mobile telecommunications industry
Buy-in 2006 / Turnover £35 million
www.axellwireless.com



The growth of mobile communications has meant that the provision of radio coverage within confined spaces such as airports, factories, stadiums, office buildings and tunnels has become not only expected, but in some instances mandatory to cover the needs of the general public and the emergency services. Axell has become an acknowledged expert in the design and manufacture of cost effective solutions worldwide which extend single or multiple radio networks throughout buildings and tunnels of all types.

Recent projects undertaken by Axell include Heathrow, Terminal 5, Old Trafford football stadium, London Underground and the Paris, Hong Kong and Singapore metro systems. ECI backed a £56 million management buy-in to the business in 2006. Axell acquired Stockholm based Avitec, its major European competitor in July 2007 for up to £24 million.

MM Group

Communications outsourcing
Buyout 2000 / **SOLD** 2004 to SR.Teleperformance



ECI funded the buyout of direct communications group, MM, in 2000. MM was a leading contact centre operator based in Bristol and Bangor, Northern Ireland, providing a complete range of outsourced services to major clients including Sainsbury's, the National Blood Service and the UK Passport Agency. Subsequently, ECI funded MM's acquisition of Contact 24, a Bristol based call centre in 2003 and the combined entity was later sold to SR.Teleperformance.

Harmoni

Outsourced services to the NHS
Joint venture 2005 / Turnover £25 million
www.harmonicpo.co.uk



Harmoni is one of the UK's largest primary care service providers specialising in unscheduled care. It provides out-of-hours (OOH) and other primary care services to local patients in need of such services, usually at times when other parts of the NHS system may be closed or difficult to access. Harmoni's local clinicians are backed by state-of-the-art communications and information systems which are vital for patients' well-being and the communication of healthcare information across the healthcare network to support patient care more generally. Harmoni was formed in 2005 as a joint venture between Harmoni Limited, the largest GP co-operative in the UK with over 600 GP members, and ECI's portfolio company, WCI Group.

Bounty

Direct marketing to new parent households
Buyout 2004 / **SOLD** 2007 to Kaboose
www.bounty.com



Bounty is the leading direct marketing business focusing on expectant mothers and new parent households. It serves clients such as Procter & Gamble and Johnson & Johnson by distributing their products and promotional materials directly to new parents via its promotional packs delivered within hospitals throughout the UK. ECI backed the £20m buyout of the company from Havas in 2004. Bounty grew its revenues significantly throughout ECI's investment period with profits more than doubling. The company was sold to Kaboose in 2007 for £70 million.

Contact ECI

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EDM

Electronic document management
Buy-in 2004 / Turnover £18 million
www.theedmgroup.co.uk



EDM Group was formed via a buy-and-build with the first two acquisitions of Storwave and Micro-image Business Solutions being made in March 2004. These acquisitions were then bolstered by the acquisition in August 2004 of AMI – The Advance Group, based in Wolverhampton. This purchase enabled EDM to firmly establish itself as the largest and leading specialist electronic document management company in the country. From 3 UK offices in the North, Midlands and South West, EDM develops and deploys electronic document management systems, both as in-house solutions and as hosted services. It also provides complementary services, such as high-volume document scanning within its three dedicated bureaux and consultancy services to help customers understand and deploy image-based systems and solutions.

Enviros

Environmental consultancy services
Buyout 2001/ **SOLD** 2007 to Alfred McAlpine plc
www.enviros.com



Founded in 1995, Enviros brought together a number of consultancies with a track record of performance in the environmental field. It helps organisations achieve competitive advantage through improved environmental and social performance by providing integrated consulting and software solutions in the areas of climate change, land and waste management, environmental due diligence and environmental reporting. ECI backed the buyout of the business in 2001 and by 2007 Enviros employed over 400 people in ten offices in the UK and Europe. Clients come from a wide range of industries in the both the public and private sectors and include BAA, BP and DEFRA. The company was sold to Alfred McAlpine for £30 million in 2007.

echo

Technology and logistics
BIMBO 2001 / Turnover £15 million
www.echoltd.com



Established in 1995, echo provides a specialist technology and logistics sector support service for blue chip technology and service suppliers, retailers and corporate institutions. These services cover IT and consumer warranty and installation work, technical and intelligent courier work, including full stock and returns management. With a national, skilled, highly productive and economic workforce, it delivers timed solutions to businesses and residential homes. Head officed at Milton Keynes, the services echo provide are delivered 7 days a week by 350 field operators and technicians utilising a network of depots at key locations throughout the UK. ECI backed a buy-in/buyout of the business in 2001.

M2 Digital

Print and copy solutions
Buyout 2006 / Turnover £30 million
www.m2digital.co.uk



M2 Digital provides corporate clients with innovative solutions for their document printing, copying and scanning requirements. The company operates in a fast growing market which has been fuelled by increasing penetration of multi-function devices and a shift to colour printing. M2 has been successful within this market through a strategy of opening offices in key locations and by developing key account relationships with many high profile corporate clients, all of whom enter into long term contracts. ECI backed the existing management team in a buyout in 2006, investing £12 million to enable the company to continue its history of impressive growth.

Serviceteam

Local authority outsourcing
MBI 1996 / **SOLD** 2001 to Cleanaway

Serviceteam provided office cleaning, building repairs and maintenance, food, landscape, passenger and security services and waste management services under contract to a wide range of public and private sector clients across the UK. ECI backed the 1996 management buy-in and over five years the business grew its revenues from £60 million to over £130 million by expanding its client base and establishing some of the most innovative, largest and most efficient public service partnerships in the country. Cleanaway Europe acquired Serviceteam in 2001.

Language Line

Telephone interpreting services
Buyout 1999 / **SOLD** 2003
www.language-line.co.uk



The business was first established as a charitable project in 1990 to counter the exclusion faced by ethnic minorities speaking little English when trying to access public services. Telephone interpreting was developed as an innovative solution to this problem, enabling organisations to communicate effectively with everyone, whatever their language. ECI backed the company in a management buyout in 1999 and saw the coverage of telephone interpreting expand to more than 150 languages. The company also evolved to become a total language solutions provider, successfully developing translation services and launching face-to-face interpreting services. The company was sold in 2003 and is now owned by US based, Language Line Holdings Inc.

Highway

Insurance repairs outsourcing
BIMBO 1995 / **SOLD** 2002 to Homeserve

In 1995 ECI backed the management buy-in/buyout of Highway, an emergency glazing business based in Norwich. The new management team switched from the traditional strategy of selling to the end-customer to one based on winning repeat and contracted business with the UK's largest insurance companies. Six years later, Highway had become the UK's largest emergency glazing, frame and lock replacement company working with most of the UK's major insurance companies to provide an efficient and cost effective repair and claims handling service. Highway was sold to South Staffordshire Group (now Homeserve plc) in 2002.



Building successful businesses in
Support Services