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A sweet deal for Kitwave:

NVM-backed Kitwave Limited acquires Automatic Retailing

Kitwave Limited, the local wholesaler of tobacco, alcohol, confectionery and soft drinks, has acquired **North East based Automatic Retailing**, the seller of confectionery and soft drinks to the automatic vending industry. Kitwave has succeeded through consolidation since it was set up in 1987 by Paul Young, Group Managing Director. The recent acquisition will diversify the Group's current customer base and strengthen its buying power.

In March 2011, NVM Private Equity Limited (NVM) invested £7.5 million in Kitwave to support the Group's strategy to continue growth through consolidation.

Automatic Retailing operates from its distribution centre in Cramlington, Northumberland. The company has grown significantly over the past three years, investing heavily in its distribution centre and fleet.

Paul Young, Group Managing Director of Kitwave comments. *"We maintain strong, long-term relationships with our independent retail and wholesale customers - which is vital to the success of our business. The acquisition of Automatic will help us to broaden our loyal customer base; and to partner with a solid business operating in a growing sector of the market."*

NVM Director, Mauro Biagioni, works alongside the Kitwave management team and comments. *"Since we invested in Kitwave six months ago, Paul and the team have wasted no time seeking out acquisitions in their market place. The company has historically succeeded by acquiring businesses with a similar product range and customer base, but never lost sight of the importance of offering a local and personal service to its customers. Kitwave is an exciting business to be a part of right now."*

Ralph Edwards, Relationship Director at Barclays Corporate added: *“The Kitwave business continues to perform well and is a testament to the quality of the management team and their dedication to drive the business forward from a regional business to a fully fledged national operation. I am delighted that we have been able to support them with this acquisition and the ongoing strategy of the business.”*

Kitwave were advised on the deal and the funding by a team at Newcastle commercial law firm Muckle LLP, headed by corporate finance partner Craig Swinhoe and banking partner Louise Duffy.

Craig Swinhoe commented *"We are delighted to have played a role in supporting Kitwave's acquisition of a well-established North East business. Kitwave has a strong, ambitious strategic plan and an excellent management team in place to underpin the success of this deal. It is great to see a locally based and funded business continue to succeed and grow on a national stage."*

Financial due-diligence was undertaken by KPMG.

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Notes to editors:

Attachments: *Kitwave imagery.*

NVM Private Equity Limited (NVM) seeks investment opportunities in UK businesses that have the right mix of flair, growth potential and market vision. They may be looking to grow organically, acquire another business or secure a management buy-out. Typically, we look to invest between £2m and £10m. www.nvm.co.uk

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