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NVM celebrates 25 years of investing in growing UK companies

**Record exit marks a quarter century of supporting British business
and delivering exceptional shareholder returns.**

NVM Private Equity Limited ('NVM'), one of the UK's leading independent private equity businesses, is celebrating 25 years of investing in growing UK companies alongside its record-setting exit from personalised medicine company DxS, recently sold to Qiagen NV for up to £82 million.

Tim Levett, NVM's Chairman, comments *"We have had a record breaking 25th year exiting four businesses in which we originally invested a combined £18.6 million realising up to £125.3 million for our shareholders. These businesses range from a traditional metal fabrication business, software solutions and clinical trials to a world leader in companion diagnostics. The common factor in all the investments is that we have backed management with the strategic mission to differentiate a business to create value."*

NVM was born out of the 1984 launch of Northern Investors, a £5 million self-managed venture capital fund focussed on the North East. In 1988 the Northern Investors executives set up NVM (then known as Northern Venture Managers) as a spin-out company to manage the Northern Investors portfolio and raise new funds. Apart from a brief period of ownership by the Edinburgh Fund Managers group, which ended in a management buy-out in 2003, NVM has been an employee-owned business ever since.

25 years on, NVM still manages Northern Investors – which floated on the London Stock Exchange in 1990 – as well as four listed venture capital trusts (VCTs). The five funds have a combined investor base of over 8,600.

NVM's flagship funds, Northern Investors and Northern Venture Trust (its first VCT launched in 1995), have established strong long-term performance records and both have been short-listed in their respective categories in the **2009 Investment Trust of the Year awards**.

Based on return on £100 invested over the year to 1 October 2009, Northern Investors was ranked first out of fifteen listed private equity investment trusts and Northern Venture Trust fourth out of fifty-six generalist VCTs [source: Fundamental Data].

Then and now

In the early years three Northern Investors executives, Michael Denny, Alastair Conn and Tim Levett, managed funds of just £5 million from an office in Newcastle upon Tyne with a technological resource comprising two elderly Nexos word processors and a telex machine.

Their first deal was an investment of £100,000 in Norway Line, a ferry service operating on the North Sea route from North Shields to Bergen. The legal documentation on the deal ran to three pages, and when NVM exited the company three years later it was delighted to double its money – the first of many successes over the years, although there have inevitably been a number of failures too.

In 2009 NVM's funds are managed by a 21 strong team across the UK, with offices in Newcastle, Reading and Manchester and £170 million of funds under management. Their most recent deal was the sale of DxS to global pharmaceutical giant Qiagen NV, where the legal documentation ran to a hefty 100+ pages. The maximum £82 million value (part dependent on future performance) would achieve around 13 times NVM funds' original investment of £3 million.

Since inception, NVM's funds have invested a total of £350 million into almost 250 companies across all sectors of the market, with a higher percentage of investments across the healthcare, manufacturing, consumer, software and IT markets. That's an average of 10 deals per year over 25 years.

One thing that hasn't changed is the firm's ethos. NVM executives are embedded in their business communities, enabling them to uncover opportunities to back talented and committed management teams with strong prospects to deliver substantial growth.

That's one reason the regionally-based investment teams are so critical to the firm's own growth. Only a strong regional presence allows the executives to find the best opportunities.

Although today's deals involve far more paperwork and technology, it's the NVM team's gut feel about the people and the companies they invest in that still remains the deciding factor.

Not much in the private equity world has remained so consistent. In 1984, UK-based private equity funds invested a total of £190 million in 480 companies. According to the British Venture Capital Association, investments in 2008 totalled £20 billion in 1,672 companies – compared to £31.6 billion in 1,680 companies during 2007.

NVM's consistent approach in backing high-calibre management teams and seeking operational improvements in portfolio businesses – rather than relying on financial engineering or exceptionally high leverage – has allowed it to thrive through the ups and downs of the private equity industry over the past quarter century.

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Notes to editors:

NVM Private Equity Limited (NVM)

NVM is one of the UK's leading independent private equity businesses focussed on making equity investments of between £2 million and £10 million in unquoted UK companies. NVM manages £170 million of funds and is differentiated by having executives living and working in regional business communities throughout the UK.

www.nvm.co.uk

For further information please contact:

NVM

- Tim Levett (Chairman) – 0118 951 7010 – tim.levett@nvm.co.uk
- Liberty Bollen (Marketing Executive) - 0118 951 7017 liberty.bollen@nvm.co.uk