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NVM GENERATES POWER FOR PROMANEX MBO

NVM Private Equity Limited (NVM) has invested £5 million in the secondary management buy out of Midlands based Promanex Group. Promanex serves the growing demand in the industrial sector for outsourced Total Facilities Management (TFM). They provide services ranging from maintenance and engineering, through to catering and cleaning for the power generation, petrochemical and general industrial sectors.

As these businesses follow the established trend in other sectors to outsource non-core services in order to concentrate on focussed profit making activities, Promanex is well placed to embrace the growth of this market. The Group comprises three divisions - Promanex Ltd, Jefco Ltd and Thermal Energy Construction Ltd which provide a range of specialist industrial services to a Pan European client base alongside more generalist facilities management such as cleaning/grounds maintenance.

Promanex Ltd was established to provide TFM services to the power generation and general industrial sectors, whilst Thermal Energy Construction both construct and maintain industrial plant systems, in particular steam raising and cooling equipment for power generation, process and petrochemical clients. Jefco Ltd provides specialist cleaning and civil engineering services to the petrochemical and general industrial sectors.

NVM, supported by local advisors Hammonds and Baker Tilly, recognised the opportunity presented by a business which has now achieved the critical mass that will allow it to take advantage of what is forecast to be a strongly growing market and have backed Mark Dixon, Promanex CEO, in leading the secondary management buy out from Sovereign Capital.

Mark Dixon founded the company in 1997 and has already successfully built it up to an established £40 million revenue business. Supported by experienced management, Promanex differentiates itself from competitors by providing a highly customer centric service that combines 'hard' (maintenance and engineering) and 'soft' services (cleaning and catering) and gives the customer a single point of contact.

James Arrowsmith from NVM who led the deal comments: "Outsourcing is increasingly prevalent in the industrial sector and Promanex's specialist knowledge in power generation and petrochemicals means that we are well placed to take advantage of market demand as the UK and Europe renew and expand their energy infrastructure. The group has an established relationship with the British Nuclear Group which is responsible for decommissioning the UK's Magnox reactors over the next 20 years and this was also a key attraction for NVM."

Mark Dixon, CEO the Promanex Group Ltd added: "After successfully overcoming the challenges of building up a company from scratch, we have developed a strong business model. We have demonstrable specialist knowledge and expertise in key industries such as power generation and petrochemicals that allows us to offer a complete management service to industrial sites wishing to outsource. The MBO gives us the funding that will allow us to take advantage of these opportunities and a partner in NVM who is committed to our future growth"

Debt finance for the deal was provided by Barclays Bank PLC. **Mark Bearcroft, Relationship Director at Barclays commented:** "We are pleased to have been able to support NVM Private Equity Limited and the experienced management team of Promanex in what is an important stage in the development of the Group. This funding will enhance their position within the industry and provide a solid platform on which to grow"

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NOTES TO EDITORS

NVM Private Equity Limited (NVM)

NVM is independently owned with over 20 years' experience of investing in UK businesses. Our managers live and work on the ground in regional business communities across the UK. NVM manages over £180m of funds and is a generalist investor specialising in making equity investments in UK unquoted companies. We consider opportunities requiring between £1m and £10m.