

Press Release



2 January 2001

CORPORATE FINANCE BOUTIQUE CLEANS UP WITH FIRST DEAL

New World Corporate Finance has scored a remarkable double in its first major transaction.

The London-based investment banking boutique, which specialises in £20-£200 million deals, completed the sale of Warner Howard for £57 million to Barclays Private Equity at the end of December 2000.

The founder directors of New World had previously taken the company private on behalf of Warner Howard's principal shareholder, the late Robin Phillips, in June 1999. The net effect of the two deals was to increase the value of the Phillips holding by over £12 million (62%) in only twenty months.

Prior to the take private, Phillips and his family controlled some 46% of the issued share capital of Warner Howard, whose main business is in commercial laundry systems, hygiene and waste compacting equipment. The company routinely produced operating profits of between £6-7 million on turnover of up to £29 million. Between 1997 and early 1999, the share price drifted from 300p per share to as low as 130p before recovering to 180p by May 1999 when the Phillips interests offered to acquire the 54% of the shares not in their control for 220p per share, a 20% premium, valuing the company at £53.2 million.

Stephen Altman, managing director of New World Corporate Finance, said:

"Robin Phillips was really looking for an exit when Nigel Berger and I first became involved back in 1999. However, on investigation it was clear that his options included the ability to buy the company himself. As the original purchase was funded through debt finance secured against cash flow and no additional equity finance was required, we were able to achieve a substantial uplift in the value of the family holding on the subsequent sale".

For further information, please contact:

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Notes

New World Corporate Finance is an independent investment banking boutique specialising in providing corporate finance advisory services to UK businesses, particularly M&A advice and development capital fundraising.

New World focuses on four sectors, Media, Leisure and Entertainment, Technology and Support Services.

Stephen Altman, managing director, qualified as a Chartered Accountant with Arthur Andersen & Co in 1987 and has 12 years experience in corporate finance having worked at BNP Paribas, PWC and Deloitte & Touche.

Nigel Berger, director, qualified and practised as a corporate solicitor with Cameron McKenna before reading for a Master of Finance Degree at the London Business School. He subsequently joined the corporate finance team at BNP Paribas, where he completed three deals in 1999.

New World Corporate Finance is regulated in the conduct of investment business by the Institute of Chartered Accountants in England and Wales.