

FirM FOUNDATIONS

Business Services Newsletter - Spring 2010

MARKET HOTSPOTS

ENERGY MANAGEMENT

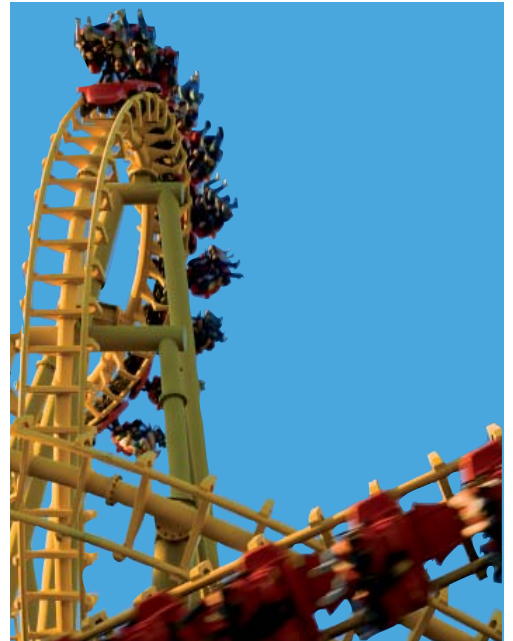
Global energy consultancy, McKinnon & Clarke (M&C), headquartered in Fife, Scotland, has been sold to mid-market growth investor Lyceum Capital. The independent consultancy, one of the largest purchasers of energy in Europe, provides outsourced services to clients on energy and environmental compliance in regulated and deregulated markets across 21 countries.

M&C's turnover for 2009 was £23m and it employs 373 staff, 87 of whom are based in Scotland and the remainder across 13 international offices, including 60 staff in Bangkok. Its management team is forecasting dramatic growth as more businesses turn to the support services firm to manage their energy purchasing and complex environmental responsibilities. An aggressive acquisition strategy in Europe and Australia is also expected to contribute to the company's rapid growth.

Following the deal, founder Sandy McKinnon will retain a minority share in the business and M&C's CEO Simon Northrop, will continue to lead the company. Livingstone Partners advised the shareholders on the exit in a relationship that has spanned nearly 15 years.

RIDING THE RECOVERY ROLLERCOASTER

Although 2009 felt like a miserable year for everyone, on reflection the Support Services sector performed well relative to many other industries. Mergers and acquisitions (M&A) activity in the UK was down, but not as dramatically as one might have thought. By comparison, share prices have risen from their low points in March 2009 although uncertainty about the short- to medium-term outlook for the global economy and specific concerns about the prospects for the UK have held the markets back for much of January and February. Over the following three pages, we set out our analysis of share prices, deals and valuations for the Support Services in 2009.



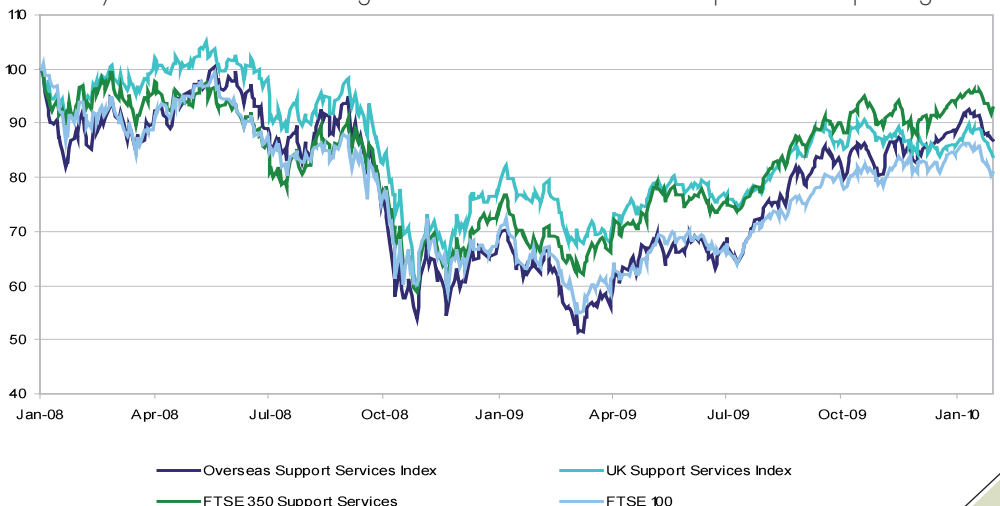
QUOTED COMPANY ANALYSIS

In the first graph below, we have reviewed the performance of four indices: FTSE 100, Livingstone UK Support Services, FTSE 350 Support Services and Livingstone Overseas Support Services over the two year period from January 2008 to January 2010. Each index was released to a starting point of 100.

The graph vividly illustrates the 'correction' in Support Services sector share prices that occurred in the summer of 2008 prior to the general market free-fall of September and October 2008. It equally clearly demonstrates the steady recovery in share prices from their nadir in March 2009, although share prices in the sector still have some way to go to recover all the ground lost since the last peak in May/June 2008.

Focusing on calendar 2009, after an initial flush of relief that the world had not come to an end at the end of 2008, there was a rapid and brutal fall in share prices across virtually all sectors in Q1 2009 as the global recession took hold. From mid-March 2009, the UK Support Services Index was on a steady climb, and in late October 2009 reached a peak of 113 compared to a low point in the year of 85. However, it underperformed both the FTSE 100 and the Overseas Support Services Index, the latter reaching a peak of 125 by the end of 2009.

The volatility shown in UK share prices in the sector since October 2009 is likely to continue well into 2010 based on the lack of clarity over the strength of economic recovery and, in the UK in particular, uncertainty over the outcome of the general election and the outlook for public sector spending.



EVENTS: 2010

RIDING THE RECOVERY ROLLERCOASTER

Outlook & Opportunities for 2010

Having problems with your crystal balls?

Looking to raise capital to take advantage of depressed valuations?

Attend Livingstone's half-day conference and networking event on **Tuesday, 25th May 2010** in central London for CEOs, FDs and Corporate Development Executives to hear the views of representatives of some of the UK's largest Support Service groups, successful entrepreneurs and funding institutions with a focus on the sector.

More details on Page 8



QUOTED COMPANY ANALYSIS

CONGRATULATIONS ON SURVIVING 2009!

It was a long, hard, slog for most Support Services companies with tough decisions being made when forced to choose between protecting margins, retaining clients and rationalising overheads.

Whilst markets suffered across all sectors, the Support Services sector was less badly hit than many, with the market recognising benefits such as long-term contracts and margins that are already considered sustainably low. M&A activity in the Support Services sector also held up relative to other sectors with trade buyers strategically increasing their skills base/service offering, geographic reach or both. Prices were down on previous years but that comes as no surprise to anyone and the consensus is that it will be a while before they return to 2007 and early 2008 levels. Despite this, reasonable multiples were paid for businesses that moved acquirers along the value chain in terms of more technical services and greater proximity to clients.

We at Livingstone worked on our fair share of deals, successfully completing the sale of Veris plc's businesses to ARAMARK and of McKinnon & Clarke to management backed by Lyceum Capital.

These differentiators will continue to drive value in 2010 as more assets are coming to the market. There is particular interest for anything 'green' and where exposure to Public Sector was once favoured, the pendulum has swung back in favour of Private Sector clients. However, as the market as a whole starts to recover, businesses will also have to focus internally and deal with the ramification of their earlier set of decisions - managing contracts taken on at unsustainably low margins, deciding when to increase overheads again, funding growth when the cupboards are bare.

We will be covering these topics at our Conference on Tuesday, 25th May, 2010 and would love to see you there.

In the meantime,
GOOD LUCK FOR 2010!

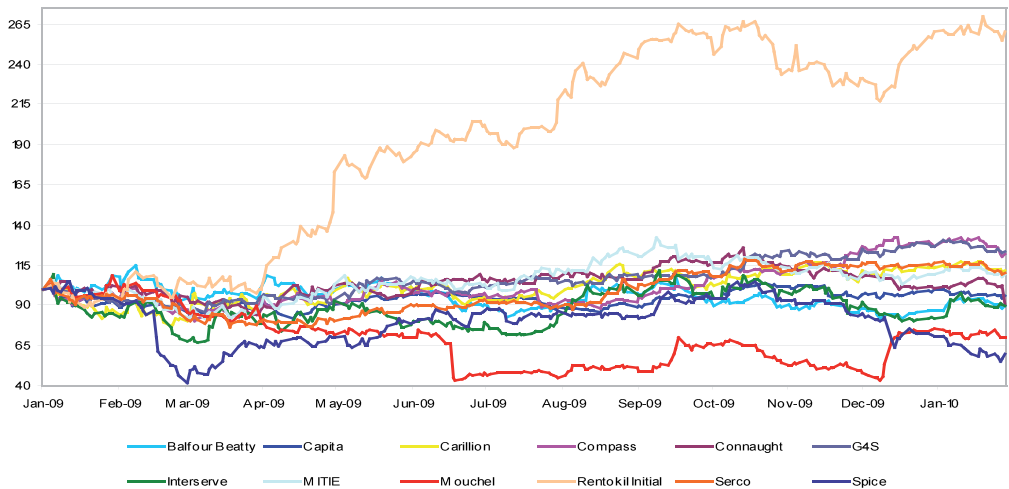


Eleanor Wilkinson
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Fluctuations in the share prices of the constituent groups of the UK Support Sector Index are likely to constrain their willingness to do major acquisitions – certainly those necessitating new share issues - in 2010.

As a result, M&A activity in 2010 is likely to veer between extremes, with the majority of the volume at sub-£20m value 'bolt-on' acquisitions but with the occasional 'mega-deal' (perhaps Babcock/VT Group?) where the acquirer has cash in the bank or can persuade international investors of the merits of a nil-premium merger.

Turning to the graph below the rank out-performer of 2009 has been Rentokil Initial, after a torrid 2008 in which its share price occupied the bottom of the UK Support Services Index for most of the year. Since April 2009, its share price has nearly shot off the scale as confidence has grown in the newly-installed management team's attempts to stabilise the group. In January 2010, the shares were further inflated by bid speculation rumours.



The wooden spoon for 2009 goes to Mouchel, which spent most of the year in the doldrums and whose share price only briefly perked up as a result of speculation of a short-lived takeover by VT Group, flush with the proceeds of selling its shipbuilding activities to BAe Systems. Also hovering near the floor was Spice plc. Having done much to recover from a depressed share price in Q2 2009, Spice was unable to sustain this recovery and saw its share price dip again in December 2009 after announcing a poor trading performance in its gas social housing division and a £43m non-cash impairment charge against it.

The middle ground remains congested with Carillion, Compass, G4S, MITIE and Serco leading the pack and Capita, Connaught, Balfour Beatty and Interserve bringing up the rear.

MITIE GROUP plc

Following on from its first transformational deal - the purchase of Dalkia Energy & Technical Services - under CEO Ruby McGregor-Smith, MITIE announced its acquisition of social housing repair and refurbishment specialist Environmental Property Services plc for up to £38.5m from PE house Alchemy Partners in November 2009.

The acquisition for an initial consideration of £120m of Dalkia's 'hard' UK FM asset (which included street lighting specialist Parkersell) significantly enhances MITIE's 'hard' FM capabilities, as well as its growing energy-related service offering. The strategic rationale behind the deal was stated to be the enlarged group's enhanced ability to offer integrated FM or multi-service contracts. Dalkia's UK FM business employs 2,700 staff and had an order book at the time of the deal of £500m.

McGregor-Smith commented, "MITIE is now even better placed to provide our clients with property, facilities and asset management services that will assist our clients in meeting the requirements of a low carbon economy." The Dalkia purchase was funded from MITIE's existing debt facilities and a £40m placing of new shares.

MID-MARKET M&A ANALYSIS



DOWN BUT NOT OUT

2009 saw 85 transactions take place in the UK Support Services sector, with an aggregate deal value of £1.1bn (see highlights in table below). This compares with 110 deals worth £1.7bn in the preceding 12 month period, a decrease of 23% by volume and 35% by value. Whilst these are material reductions, in comparison to a M&A market characterised by a year-on-year reduction of 65% in deal volumes, the Support Services sector has weathered the storm relatively well. The most sizeable transactions in the UK in 2009 were those of Trillium (£750m) by Telereal backed by the William Pears group, and MITIE's acquisitions of Dalkia FM (£130m) and EPS (£38.5m). Aramark's cross-border acquisition of Veris plc's FM and Property Management operations (€50.8m) in Ireland and the UK provided a notable reminder of the ongoing pressure for global consolidation across the FM sector. By way of reminder, the flagship deals in 2008 were Carillion's £607m acquisition of Alfred McAlpine, Willmott Dixon's re-acquisition of a 33% stake in Inspace, valuing the group at £178m, the £135m buy-out of Morrison plc's utilities services business backed by Englefield Capital, and Australian group Hastie's £95m acquisition of Rotary.

TRADE BUYERS PREVAIL BUT PE STILL ACTIVE

There have been relatively few new PE-backed buy-outs of Support Services groups and observers could be forgiven for assuming that the field was now completely open for strategic buyers to pick up interesting assets. However, institutional money has continued to fund a stream of bolt-on deals through existing platform businesses. Buy-and-build vehicles such as Enterprise (3i), Kinetic and LPM (both Sovereign Capital) and Four Seasons (Barclays Ventures) have continued to execute their acquisition-focused strategies. A number of smaller listed groups, no doubt neglected by a market with little interest in small-cap companies, have succumbed to larger peers, including Supporta (bought by Mears) and Fountains (Connaught).

VALUATIONS

The publicly available information (after excluding obvious inconsistencies) suggests that the multiple of historic (ie. last reported) EBIT paid for UK-based Support Services companies was circa 8.9 times and the multiple of historic revenues was 0.7 times. This compares with 8.5 times and 0.7 times respectively for the preceding 12 month period, and demonstrates a surprisingly robust performance in valuations – better than many other sectors and materially better than the listed company community included in the Livingstone UK Support Services Index (see page 1). However, falling profitability rather than higher values might be the main driver for increased EBIT multiples.

DATE	TARGET	TARGET DESCRIPTION	ACQUIRER	D/V £M	T/O X	EBITDA X
Dec 09	Status Building Services Group	Technical building services	Managed Support Services plc	3.7	0.5x	10.3x* ebit
Nov 09	Environmental Property Services plc	Social housing repair, refurbishment and maintenance	MITIE Group plc	38.5	0.5x	8.6x
Oct 09	Veris plc (Facilities and Property Management business)	Property management and FM services	ARAMARK Ireland Ltd (Ireland / USA)	47.3	0.6x	6.4x
Oct 09	ISS UK Ltd's Pest Elimination business	Pest control services	Ecolab Inc. (USA)	-	-	-
Sep 09	EI WHS Ltd	Electrical and instrumentation services	SPIE SA (France)	-	-	-
Sep 09	Homeserve plc (Emergency Repair division)	Emergency repair division	MBO / LDC	11.0	-	-
Aug 09	Dalkia Technical Facilities Management	Technical FM and energy services	MITIE Group plc	130.0	0.5x	10.3x
Jul 09	Fountains plc	Grounds maintenance, forestry and utility services	Connaught plc	12.7	0.3x	9.8x
Jul 09	U.K. Fire International Ltd	Fire services	Connaught plc	12.0	1.2x	8.9x
May 09	Work Inc Group Inc / Eastlake (two divisions)	FM and furniture services businesses	Europa Facility Holdings / H.I.G. Capital	-	-	-
Mar 09	Temple Security Ltd	Security services	LPM Group Ltd / Sovereign Capital	12.0	0.6x	-
Feb 09	Superior Plumbing Installations Ltd	M&E installation and maintenance services	npower Ltd / RWVE AG	-	-	-
Jan 09	3C Asset Management Ltd	Social housing maintenance services	Mears Group plc	12.5	-	-



TALENT TRANSFERABILITY IN 2010

by David Tunna



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EXECUTIVE SEARCH

Despite the challenges on the horizon for the Support Services sector, with decreases in private and public sector spend becoming more and more of a reality, the industry has by and large performed well in comparison to others through the recent economic downturn. This has on the whole led to grace and favour from the City, increased interest from private equity and sustained levels of M&A activity.

From a human capital perspective, this resilience has subsequently stimulated interest from senior executives outside of the sector. The opportunity to join a business with ambitious growth plans, able to demonstrate several years of positive growth despite a down-turn, and operating in a defensive market is clearly an attractive proposition.

Senior employment opportunities within Retail, FMCG, Financial Services and other sectors more obviously and directly exposed to consumer spend have diminished dramatically with most organisations significantly reducing their workforce. In sharp contrast, the Support Services sector has at a senior level continued to appoint talented individuals.

The majority of the drivers behind this sustained recruitment activity continue to be positive.

Ambitious service providers are eager to attract and retain proven managers capable of taking the business into new markets, to exploit and shape new outsourcing opportunities in a challenging environment, as well as fully capitalising on existing ones.

Understandably therefore, the Support Services sector looks like a safe haven to executives from outside of the sector looking for new career opportunities and more rapid advancement.

At the same time the Support Services industry is maturing and the competition among established players for key contracts has intensified. The continued emphasis on positive customer experience, operational excellence and business transformation, has led many CEO's in the sector to look more widely for talent to sustain growth and bring fresh ideas and methodologies to bear. In a market where the larger players are offering an increasingly similar integrated service package, finding new ways to differentiate is becoming more and more important.

A retailer, for example, leading a large direct workforce, handling high volumes of customer transactions with a complex 24/7 real time delivery model can draw parallels with many organisations with the Support Services sector, with the added complexity of frequently lower margins. The challenge of ensuring consistency in people, process and systems whilst delivering an outstanding customer experience though a remote, disparate and often relatively unskilled workforce is not something unique to the Support Services sector.

The ability to develop a robust and visible strategy for talent attraction, retention and development is something that historically has not been associated with the Support Services sector, whilst the success of leadership development organisations such as Tesco, BP or Unilever is widely acknowledged.

Attracting talent that brings thought leadership on subjects such as employee engagement, succession planning and innovation is now a priority for forward thinking CEO's in our sector.

The transferability of an executive's skill-set from one industry to another is not always obvious at first glance. Indeed, the perceived 'attractiveness' of the Support Service sector has also been underestimated. However, the combination of the sector's positive trading performance, its improved profile relative to others and the collateral damage affecting the broader economy, there is no reason not to extend the parameters in the search for talent.

Whilst many businesses within our sector have stable executive teams, there has been increased management change at an operating division level. It has become clear that the skills required to manage effectively in a recessionary environment are very different to those required to exploit growth in a more benign market. And these skills cannot always be learnt quickly enough to avoid the need for injecting more relevant management expertise, with an entirely fresh and detached perspective on the issues to be dealt with. There are many businesses that have recruited from outside of the natural competition and as such the chances are in the years to come executive management teams will have increasingly diverse backgrounds and experiences.

As a conduit for management change, Hitchenor Wakeford's broad base of sector experience and senior level contacts marry neatly with our longstanding involvement in the Support Services sector. Helping our clients to draw deserving talent up through the ranks while at the same time broadening the sector's gene pool is a key opportunity for all over the next 12 months.

SHARED SERVICES IN A CHANGING LANDSCAPE

by Joanne Ellis



The UK Government committed to shared services following the 2004 Gershon review and the 2006 Transformational Government Implementation Plan. Last year's Operational Efficiency Programme (dubbed "Gershon Mark-II") delivers another £30bn in savings from areas including back-office/IT, procurement, asset management/sales, property and local incentives/empowerment. The Government also aims to save £5bn through its "value for money" targets during 2010-11. This should increase demand for shared services, creating opportunities for the private sector.

NEW PROJECTS

When procuring shared services projects, priority remains on delivering value through competitive tendering. But clarity around objectives is also important. Recent recommendations for both public and private sectors suggest reducing bidding costs and maximising value for money by:

- agreeing clear, consistent objectives;
- simplifying bid documentation;
- reducing uncertainty around timing;
- engaging in earlier and more open communication about desired outcomes and risk allocation; and
- ensuring objectives are clear, consistent and balanced.



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Pinsent Masons

This approach emphasises the earlier project stages, ensuring parties are clear on objectives and outcomes. This may lead to higher bid costs in the planning stages of a project, in turn increasing costs for unsuccessful bidders, but enhanced clarity should reduce the number of speculative bidders, thus streamlining the process for those involved in the tender.

THE LEGAL ROLE

When negotiating contracts, procurers are likely to have an increased focus on the following:

- ensuring value throughout the project life-cycle via mechanisms including open-book accounting, benchmarking and regular project review boards; and
- step-in rights, termination for insolvency or "financial difficulties", and forms of security such as guarantees (in case of supplier insolvency).

Contractors should protect themselves by negotiating risk allocation in contracts, focusing on areas such as:

- payments for losses due to client's delay; and
- payments for failure by the client to perform specified responsibilities.

Early, clear definition of project scope will provide certainty around responsibilities and minimise disputes over responsibility for delays. And when discussing flexibility (e.g. possible extensions), it is important to utilise contractual control provisions, creating clear procedures for implementing change.

The key factor determining contract extensions is price. Organisations will wish to benefit from discounts or economies of scale, whereas existing contractors may want extensions focused on a new pricing model or a time and materials basis. To reduce the risk of disagreements, pricing extension mechanisms should be considered before contract completion and clearly set out in the contract.

MANAGING EXISTING PROJECTS

Given the drive to increase efficiencies, public and private sectors may wish to take advantage of existing contracts, extending the scope of such agreements to benefit other departments. Whether existing projects can be extended depends on parties agreeing to the extra scope and costs through change control provisions in the contract. A downside of recession is an increased risk that parties look to existing contracts in the event of a dispute. It is, therefore, important that contracts are regularly reviewed to ensure they are up to date and reflect the existing position, minimising uncertainty.

Contractors may also consider reviewing the financial standing of suppliers and sub-contractors; if suppliers experience difficulties in performing their obligations, it's likely the contractor will suffer financial penalties for delays. Such reviews may highlight potential problems early, allowing prior warning to be given to the client and remedial plans instigated.

If, in the worst case scenario, the existing contract isn't working and the contractor is not realising the expected benefits, parties need to review their strategies as early as possible. If it is not in the interests of either side to terminate or to continue, the only option may be to renegotiate. Both parties need to discuss issues quickly so they can be managed effectively.

CONCLUSION

Although the current economic downturn poses problems, the Government's commitment to expand its shared services take-up and the likelihood the private sector will increasingly turn to, or expand existing, shared services provision provides opportunities which, if properly planned and executed, will lead to benefits for all involved. To achieve these benefits parties need to work together in the early stages of projects to clarify objectives and set a clear procedure and timetable for the contract process.



ONES TO WATCH

by Jo Penny, Livingstone

MANAGED SUPPORT SERVICES PLC



The turnaround at building services group Managed Support Services (MSS) – formerly Worthington Nicholls – is well underway. A new management team (headed up by seasoned trouble shooter Simon Beart) was put in place in late 2007 following a series of profit warnings and a plummet in the company's market capitalisation. Since then, MSS has been restored to profitability and commenced a programme of acquisitions to create a group of sufficient scale

to warrant a public listing and diversify into more defensible markets. Having raised £5.7m through a share placing in February 2009, MSS said the initial focus would be on smaller acquisitions that offer similar or complementary services to its existing businesses, such as the provision of electrical testing, water treatment and energy management services.

The acquisitions of Delrac, Status Building Services and certain assets and contracts from Workplace Engineering have since been successfully completed. Jamie Reynolds, formerly joint MD of GSH Group plc, was brought on-board in December 2009, to add further depth to MSS's operational management. MSS has said that it will also look at larger potential acquisitions in related sectors, to transform the scale and activity of the group over the next 12 months, and has a supportive investor base to raise the necessary finance.



Jo Penny
Analyst

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BABCOCK INTERNATIONAL PLC



Babcock International Group plc has metamorphosed considerably since its origins as an industrial process engineering group. And today is an engineering support services company with top three positions in each of its biggest markets: Marine, Defence and Nuclear. Through long-term contracts and framework agreements, it provides essential engineering support for customers' critical assets and infrastructures, such as the Royal Navy and MoD.

Acquisitions in recent years have focused on these key sectors and have included UKAEA, Devonport Management, Weir Strachan & Henshaw and Alstec. The acquisition of UKAEA from the UK Atomic Energy Authority, for a net cash consideration of £38m in October 2009, has materially boosted its position in the nuclear clean-up market which Babcock estimates is worth £2.7bn a year.

Generally the long-term growth prospects of its principal markets are strong, despite uncertainty surrounding UK Defence spending. The order book currently stands at around £6bn, although Babcock is also seeking to reduce its exposure to the poorly performing rail activities. Babcock is currently occupying newspaper headlines as it explores a takeover of rival VT Group plc, recently reinvented as a largely Support Services group.

BALFOUR BEATTY PLC



Infrastructure group Balfour Beatty continues to broaden its capabilities and geographic coverage through both organic and acquisitive growth under the stewardship of Chief Executive Ian Tyler.

The acquisition in September 2009 of US-based engineering design company Parsons Brinckerhoff was strategic and game-changing. It represented Balfour Beatty's largest acquisition to date, for circa £380m, and enhanced its service offering and presence across the entire life cycle of major infrastructure assets. The acquisition increased Balfour's revenues generated in the US, as well as giving it exposure to new markets such as India, China and South Africa. Parsons' strength in infrastructure projects in the Transport, Power, Water and Environmental sectors, is highly complementary to Balfour Beatty's business.

Balfour recently reported ongoing positive trading and an order book that stands at £14.1bn. Organic growth and recent contract wins have also helped the Group weather the recession so far, including recent wins in the Defence and Education sectors.

INTRODUCING LIVINGSTONE



Established in 1976, Livingstone is an international corporate finance boutique focused on company sales and acquisitions with deal values of between £10 million and £100 million plus. In 2009, the firm's 65 staff advised on 32 transactions with a total value of £900 million and was voted Mid-Market Adviser of the Year at the 2010 Acquisitions Monthly Awards.

Livingstone stands out for its cross-border credentials: with a pedigree drawn from over 500 successful deals, the firm has completed close to 200 cross-border transactions. By combining a sector-based strategy with an international office infrastructure, Livingstone has ready access to international acquirers, targets and investors. With our own teams in Chicago and Madrid, and established relationships with M&A advisers in 30 other countries, we are able to deliver the best available strategic solutions from across the globe to our clients' doorstep.

Livingstone has a strong focus on advising entrepreneurs and growth companies throughout their development, providing advice on acquisitions, succession planning, exit options, management buy-outs and company sales. For further information, please contact Maryanne Dakas on **020 484 4713** or at mdakas@livingstonepartners.co.uk.

THE BUSINESS SERVICES TEAM

Livingstone focuses on four sectors: Business Services, Consumer, Industrial and media:tech. The Business Services team draws from professional staff across the firm's international offices to deliver expert corporate finance advice in the Facilities Services, Outsourcing, Consultancies, Environmental Services and Human Capital arenas.

In recent years, the Business Services team has advised on deals in these markets with an aggregate value over £300 million. We have had the privilege of working with many exceptional management teams over a wide range of activities including:

- BPO Outsourcing
- 'Hard' Building Services
- 'Soft' Building Services
- Integrated FM
- Social Housing Maintenance
- Utilities & Infrastructure Maintenance

Unlocking the cash value of many years' hard work in a Facilities Services business requires an acute understanding of our clients' requirements, the drivers that will underpin an attractive deal, and the strategies and priorities of acquisitive groups and investors around the world. Our focus on the Facilities Services sector has equipped us to provide this.

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Livingstone

MCKINNON & CLARKE LTD

MBO TEAM / LYCEUM CAPITAL

Sale of leading Energy Consultancy and Utility Management provider to Lyceum Capital in December 2009.

 **McKinnon & Clarke**
making energy work for you

Livingstone initiated the transaction, advised the vendors and assisted in the negotiations.

Livingstone

VERIS PLC

ARAMARK

Sale of facilities and property management divisions of Veris plc to ARAMARK of the US for €50.8 million in October 2009.

 **VERIS**

Livingstone initiated the transaction, advised the vendors and assisted in the negotiations.

Livingstone

COMOMÍN

GRUPO NAVEC

Sale of leading Spanish provider of support services to the petrochemicals sector in December 2009.

 **GRUPO COMOMIN**

Livingstone advised the vendor and assisted in the negotiations.

RIDING THE RECOVERY ROLLERCOASTER

Business Services Newsletter - Spring 2010

08.30 Registration

09.00 Welcome & Opening Remarks

Eleanor Wilkinson, Director, Livingstone Partners

09.15 Panel Session: Outlook for 2010

A panel of Strategy and M&A Directors from some of the UK's leading support services groups dust down their crystal balls and share their views of the outlook the sector in 2010 and beyond.

10.15 Keynote Speaker:

Garvis Snook, CEO of fast-growing building, repair and maintenance services group, Rok plc, shares his experience of surviving - and prospering - through the business cycle.

10.45 Coffee Break

11.15 Sector Commentary

Partner at Pinsent Masons, comments on current transaction terms in the Support Services sector.

11.30 Panel Session: The Growth Challenge Funding Expansion in a Hostile Environment

A panel of experts share their views as to how ambitious businesses can overcome the challenge of rapid growth from a capital-constrained position through a variety of finance options, from traditional bank facilities, to asset-based lending and growth capital financing by private equity.

12.30 Closing Remarks:

Jeremy Furniss, Partner, Livingstone Partners

12.40 Lunch & Networking Session

13.30 Conference Ends

TUESDAY 25th MAY 2010

THE SOHO HOTEL, LONDON W1D 3DH

While many believe that the worst of the recession is behind us, the short- to medium-term outlook is unclear. As a UK general election looms, the prospect of a significant reduction in public spending seems highly likely whichever political party wins. This concern has resulted in an abrupt about-face in sentiment towards Support Services companies with a major exposure to the public sector compared with 12 months ago. What had been seen as a strength is now widely regarded as a potential Achilles Heel. We invite a panel of Strategy and M&A professionals from some of the UK's largest Support Services groups to share their views of the years ahead and the areas where they see the greatest opportunities – and threats.

A remarkable number of businesses that survive a recession succumb to the challenges presented by recovery. After stripping the larder bare to survive, revenue growth frequently creates working capital crunches that can prove fatal to under-capitalised businesses. In addition, as the pace of recovery increases, opportunities for cheaply-priced acquisitions will reduce as competition for quality assets grows and sellers' expectations increase. We have gathered a panel of experienced capital providers – and consumers – to share their thoughts on how best to secure capital to take full advantage of the next 12 to 18 months.

Key Issues to be Addressed

- Which sectors are likely to offer the greatest growth opportunities - and which are under greatest threat?
- Public or private sectors: what is the right balance for the immediate future?
- How will pricing adapt to a gradual shift into recovery?
- Valuations in the Support Services sector: holding up or under pressure?
- Growth capital: what are my options?
- Debt or equity? how expensive is it to secure funding?
- What should I expect of my funding partners? Friends or Fees?

The Speakers

Livingstone has assembled a group of seasoned senior executives and deal-makers from a wide range of high profile PLCs and successful private groups, banks, private equity investors and stock market specialists to share their experience of assessing, acquiring and funding growth companies across the Support Services sector. Confirmed speakers include Garvis Snook (Rok), Peter Zinkin (Balfour Beatty), Staffan Engstrom (Carillion), Tom Pennella (CH2M Hill), Martin McMahon (ARAMARK) and Mike Daniels (Barclays Bank).

Sponsored by:



Booking Form

Date: Tuesday 25th May 2010

Venue: The Soho Hotel, 4 Richmond Mews, London W1D 3DH

Cost: £110 + VAT for the first delegate and £100 for each delegate thereafter

Please return your form with payment to:
Rosemarie Lamanno, Livingstone Partners LLP
15 Adam Street, London WC2N 6RJ

For further queries please email Rosemarie Lamanno at
rlamanno@livingstonepartners.co.uk

Conditions: A VAT receipt will be sent with your confirmation. If you are unable to attend, please telephone with your substitute's name. No refunds are available for cancellation received less than 14 days before the Conference.

Surname _____

First Name(s) _____

Job Title _____

Name of Additional Guest(s) _____

Company _____

Address _____

Post Code _____

Tel No. _____

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Payment Details: I would like to book _____ place(s)
I am enclosing a cheque for _____
made payable to Livingstone Partners LLP