

Buyout Track 100 press release



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WELSH COMPANIES TRIUMPH ON LEAGUE TABLE OF BRITAIN'S FAST-GROWING PRIVATE EQUITY-BACKED STARS

Three companies in Wales, compared to two last year, have stormed onto the latest Sunday Times Deloitte Buyout Track 100, which ranks Britain's 100 private equity-backed companies with the fastest-growing profits.

The three companies have made a valuable contribution to the local economy in their latest two years of available accounts, despite the downturn. During this time they have created **100 jobs**, and now employ a total of **1,000 people**. Profits have grown an average of **42%** a year to combined profits of **£21m**.

Question Time producer **Tinopolis** makes its second appearance on the annual league table. The Llanelli company generates around 2,500 hours of drama, documentary, sports and children's television programmes a year for 200 broadcasters worldwide. Tinopolis left the Alternative Investment Market in 2008 after accepting a £45m offer from private equity firm Vitruvian Partners. Profits have risen 49% a year from £2.9m in 2006 to £6.5m in 2008.

Olaer and **Comtec** make their debut on the league table this year. Backed by Gresham Private Equity, Olaer makes hydraulic equipment and operates in 40 countries. Its components have been used for applications as diverse as wind power generation, oil drilling and British Airways' aircraft. Comtec traces its roots to 1995, when founder Simon Powell was asked by his father to look at how IT could improve the family travel firm. The result was EasySell software, which enables travel agents to compare holiday availability. The South Wales company's clients include Thomas Cook and TUI, and its profits have grown 32% a year to £4.1m in 2008.

The companies in Wales feature on the league table alongside well-known names such as self-service coffee machine operator **Coffee Nation**, clothing retailer **Jack Wills**, online DVD rental company **LOVEFILM.com** and discount retailer **Poundland**.

Private equity-backed companies with the fastest-growing profits in Wales

National rank [2009 rank]	Company Activity	Location of HQ	Annual profit growth over 2 yrs	Latest profit (£000) [‡]	Latest staff	Latest financial year end	Main shareholders
51 [38]	Tinopolis <i>Film and television producer</i>	Llanelli	48.69%	6,451	381	Sep 08	Vitruvian Partners (70%), management (30%)
54	Olaer <i>Hydraulic equipment maker</i>	Flintshire	46.37%	9,992	472	Dec 08	Gresham (80%), management (20%)
91	Comtec <i>Travel software developer</i>	Cwmbran	32.11%	4,126	121	Dec 08	RJD Partners (51%), Simon Powell (33%), other management (16%)

[‡] Profits are defined as earnings before interest, tax, depreciation and amortisation.

Wayne Harvey, partner for Wales at Deloitte, title sponsor of the league table, commented:

“The results show that private equity-backed businesses in Wales are achieving strong profit growth through performance improvement measures and refreshed strategies. Private Equity investors continue to play an important role in developing businesses and as the economy improves, I expect to see increasing deal activity.”

The national picture

Despite tough economic conditions, over the past two years of latest available accounts the 100 companies on the league table grew their profits by an average of **57%** a year to combined profits of **£1.3bn**.

Together they employed **86,527** staff, and have created **25,505 jobs** in the last two years. However, more than half of the companies on the league table are still reporting 2008 financial year ends, which do not yet properly reflect the effects of the recession.

A reduction in deal activity meant that only 11 companies on the league table had buyouts in the past twelve months, compared with 26 last year. Two thirds of the companies saw their operating profit margins either drop, or increase by less than 2%, over their latest financial year.

Most of the companies are based in London (28) and the North (23). The remainder breaks down as follows: Southeast (19), Midlands (16), Scotland (6), East (3), Wales (3) and Northern Ireland (2).

Unlike most research into the private equity industry, **The Sunday Times Deloitte Buyout Track 100** highlights profit performance of companies backed by private equity, rather than just the deals and exits.

The full findings will be published in a special 8-page supplement with the business section of **The Sunday Times** on 7 February and on www.fasttrack.co.uk.

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THE SUNDAY TIMES DELOITTE BUYOUT TRACK 100**

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Notes for editors

About the league table:

Now in its fourth year, **The Sunday Times Deloitte Buyout Track 100** annual league table is compiled by Oxford-based research and networking events company **Fast Track**.

In addition to its title sponsor **Deloitte**, the league table is co-sponsored by **Lloyds TSB Corporate Markets** and **UBS Wealth Management**.

League table criteria:

Companies are ranked according to the compound annual growth in their profits over two years, based on their latest available figures (either 2006 to 2008, or 2007 to 2009). The research therefore carries the caveat that their performance may have changed since. Profits had to exceed £1m in the base year and £3m, but less than £50m, in the latest available figures. There is a separate table of the **10 Biggest** private equity-owned companies with the fastest-growing profits, where the latest profits exceed £50m.

Profits are defined as earnings before interest, tax, depreciation and amortisation (EBITDA), which is generally used by private equity houses as the best indicator of a company's profit.

Companies had to be registered in the UK, independent, unquoted and ultimate holding companies. At least 20% of a company's shares had to be owned by a private equity fund.

The research was carried out by Fast Track between August 2009 and 1 January 2010. The vast majority of companies were interviewed by telephone and/or visited by the Fast Track research team.

About Deloitte

With 12,000 people across the UK, Deloitte is renowned for its innovation, collaboration, industry expertise, and outstanding client service. Our depth of talent across our chosen disciplines – audit, tax, consulting and corporate finance – allows us to deliver a total solution to our clients, whatever their size, location or need.

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About Lloyds TSB Corporate Markets

Lloyds TSB Corporate Markets' acquisition finance team is a leading force in providing leveraged finance, supporting over 500 private equity transactions in the last 5 years. Our experts deliver flexible and imaginative solutions across all areas of the UK market.

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About UBS Wealth Management

UBS is one of the world's leading providers of private banking services, and in the UK has more than 250 client advisers who focus on the needs of UK customers. UBS Wealth Management has developed and implemented many innovative wealth management strategies for UK entrepreneurs.

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About Fast Track

Fast Track has 13 years' experience publishing league tables ranking Britain's top-performing private companies, and organising events for entrepreneurs to network and meet its sponsors. The company was founded and is run by Dr. Hamish Stevenson, who remains an associate fellow of Green Templeton College, Oxford University.

www.fasttrack.co.uk