SpeechlyBircham

Corporate advice & transactions

2006 in review

Inform

Some highlights...

2006 saw the growing stature of our reputation across all of our corporate transactional and advisory teams. In particular it demonstrates the breadth of our advice on complex deals across the national and international equity and funds markets.

This review highlights some of our client work over the past year, showing the scope and depth of the capability we can bring to the benefit of our clients.

Whether you are already a client of Speechly Bircham's Corporate team or not, we look forward to working with you in 2007 and the coming years.

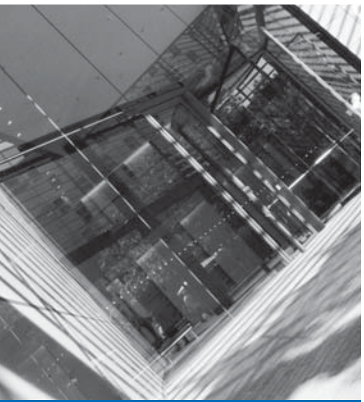
WHARTON asset management Main LSE listing of TRIO Finance Ltd, raising US$100m equity. Gross assets US$440m	**Consensus Business Group** Advising on the takeover of Solitaire Group plc for £42.5m	Landsbanki Commercial Finance Cross border ABL package of £20.3m for Livingston Group
Newport networks £15.5m AIM placing for Newport Networks Group plc	PLANT Acquisition of Lux Traffic Controls by Ashtead Plant Hire Co Ltd for £15.5m	**Major property investment group** Launch of real estate fund, target gross asset value exceeding £800m
OrchidDevelopments Group Ltd. Advising Orchid Developments Group Ltd on its €25m AIM placing	Mission Capital Plc Reverse takeover, investment in a joint venture and acquisition of a property portfolio for £36m	ipgroup plc Various spin-out investments in companies from UK university technology transfer offices

In 2006 we advised on:

- £2.5 billion of Collateralised Debt Obligation transactions
- The launch and structuring of £1.1 billion of property and investment funds
- £750 million of corporate real estate transactions
- 10 AIM and Official List transactions and admissions
- More than 20 mid-market M&A deals
- Multiple transactions for commercial and investment banks
- More than £70 million of healthcare sector acquisitions
- 35 private equity and venture capital investment transactions
- Structuring an innovative and complex sectionalised pension scheme for an international business, worth more than £325 million
- Numerous development capital transactions including technology spin-outs from three leading UK universities

> "The Speechlys team guided us through this important transaction with skill and enthusiasm. They were not just legal advisers but stood shoulder to shoulder with us in getting the job done efficiently and on time"
>
> Stephen Kingsman, principal shareholder, Denne Construction Ltd

In summary



CDO expertise

We are proud of the breadth of our capabilities and our ability to forge close working relations with ambitious clients. Wharton Asset Management is an innovative investment management group in the high grade asset-backed securities and real estate securities markets. Wharton's Collateralised Debt Obligations (CDO) structures have included both cash and synthetic transactions.

We have advised on seven Wharton-managed CDOs in the past three years, aggregating in excess of US$12 billion, including two in 2006.

Funds

Our growing involvement with national and international property funds has been a highlight of 2006, notably with a major property investment group. We advised on the launch of an institutional property investment fund, advising on a complex structure including feeder and parallel funds to accommodate different institutional investor requirements, and including an ability for certain investors to subscribe in non-sterling currencies. The fund closed in 2006 with a target gross asset value exceeding £800 million.

Our team acts on transactions and reconstructions for an international client base that includes Bank of New York Trust & Depositary Company Limited. During 2006 we advised Bank of New York on a number of fund transfers / launches and several reconstructions.

Mergers and acquisitions

Having handled over twenty mid-market deals with a value in excess of £25 million, the team's abilities are being recognised on ever wider fronts.

A notable deal this year was the recommended takeover by Consensus Business Group, of Solitaire Group plc. Our team combined the expertise of our corporate, banking and property groups to advise on the July 2006 takeover of AIM quoted Solitaire, a specialist property manager of new-build UK residential properties with a substantial ground rents portfolio, for £42.5 million. The resulting property management business now comprises 45,000 managed residential properties.

Other deals include advising Data Media & Retail Limited, owners of the leading consumer portal www.carsource.co.uk, on its sale to Teletext, a member of the Daily Mail Group and advising the shareholders of Denne Construction, a leading Kent construction company on its sale to Oxford-based J B Leadbitter & Co Limited, a subsidiary of Heijmans NV.

In the food sector we acted for the shareholders of Community Foods Limited, a market leader in the supply of organic and fair-trade food products, on the sale of the company to Milk Marque Limited, the successor to the Milk Marketing Board.

We also advised the MBI team on the management buyin of Tangerine (formerly Toms) Confectionery Limited, including advising on the senior and mezzanine facilities. Based in Blackpool, TCL is the UK's largest independent private label sugar confectionery manufacturer.

Equity capital markets

Throughout the year we worked on 10 AIM and Official List transactions.

We acted for Wharton Asset Management UK Limited on the LSE (Main) listing of its managed vehicle, TRIO Finance Limited, raising US$100 million in equity. TRIO is newly-formed to invest in asset-backed securities, focusing on real estate mortgage-backed securities and real estate related financial assets. TRIO's UK listing was completed in June 2006, with gross assets of c US$440 million.

2006 also saw us advise on a placing for technology businesses Newport Networks Group plc, the AIM flotation of Israeli-based MTI Wireless Edge Ltd, a market leader in flat panel antenna technology, and the €25 million AIM placing on behalf of Orchid Developments Group Limited.

We finished the year by advising AIM-listed property company Mission Capital plc on its investment alongside Chelsfield Partners LLP in a BVI registered joint venture company, which acquired a portfolio of UK properties from CBRE Investors for £36 million.

Banking and finance

Our practice continues to develop apace, with a successful re-appointment to the Lloyds TSB legal panel and an appointment to the transactional panel of another major UK clearing bank.

Meanwhile, our European asset-based lending practice added to an already impressive deal roster with a string of cross-border financings for major clients such as GMAC Commercial Finance and Landsbanki Commercial Finance. A typical example was an intensive deal for Landsbanki, handling a €29.4 million (£20.3 million) asset-based lending package designed to help Livingston Group, a technology company, enter its next phase of European growth. Asset-based loans were extended against Livingston's receivables and inventory in the UK and Germany, as well as its French receivables.

Our reputation for handling cross-border syndicated ABL lines received a boost when we acted for the arranger and lead underwriter on a complex and demanding deal. This involved the provision of multicurrency facilities totalling approximately US$37 million to a multinational group of companies, enabling funds to be borrowed in the United States and continental Europe and secured on assets located on both sides of the Atlantic.

Private equity and venture capital funding

2006 saw us become established as a preferred law firm for Close Ventures Limited, the award winning VCT investment manager with some £250 million of funds under management, and for whom we have been instructed on six investments and portfolio matters during 2006, working closely with our Corporate Tax team.

Another example of our team's growing recognition in the marketplace was through repeat instructions from venture capital house, Beringea.

Healthcare

Our focus on the UK healthcare sector generates a range of M&A opportunities for both trade and financial investors. In 2006 we undertook significant transaction support work in advising on deals totalling more than £70 million.

For example, we advised shareholders and management on the secondary buyout of a leading UK provider of rehabilitation solutions to both public and private sectors and is internationally recognised for its high quality prosthetic, orthotic and assistive technology.

And the story continues. We are currently acting for another client on an acquisition for over £40 million of a UK-based business providing care homes for the elderly, involving the negotiation of significant bank facilities for the buyer.

"For a growing company such as ours, complexity management is crucial. By becoming an integral part of our team, Speechlys preserved our ability to maintain our focus on our underlying business during these important transactions"

Mark Lawson-Statham,
Managing Director, Intelligent Energy Holdings plc

Pensions

The Pensions team has worked in the innovative and demanding area of sectionalising of pension schemes. For one large international industrial group and its German parent we set up a new 12 section defined benefit scheme. Nine schemes operated by subsidiaries of the group joined the new amalgamated scheme in October 2006, which is now valued at over £325 million. The project was made more complex by recent legislative changes.

We advised the trustees on the impact on their scheme of the £2 billion takeover of Associated British Ports Holdings plc in August 2006. The scheme is worth over £420 million and is one of the few UK schemes to have a surplus.

We also agreed an 'apportionment' rule with the Regulator for a UK listed client, adjusting the statutory liabilities owed by the client's various subsidiaries to one of its pension schemes. This enabled the client to restructure its business operations without huge sums having to be paid into the pension scheme. This way the client saved £50 million.

University spin-outs

Illustrative of our commitment to the technology transfer sector is some of the work over the past year for IP Group plc on its investments in spin-out companies from the University of Surrey and Kings College, London. As a pioneering intellectual property commercialisation specialist, IP Group establishes and invests in new spin-out companies from leading UK universities.

We have also considerably strengthened our Technology & Commerce and Intellectual Property teams in growing from a single partner and assistant unit within the firm's Corporate department to an independent team of three partners and four assistants. This adds specialisms in data protection & privacy and computer games as well as strengthening the team's existing expertise in IP/IT, commercial and technology matters.

Clients include a broad range of users, suppliers and intermediaries, from large, well-established businesses, public authorities and listed companies in the UK and overseas to start-up ventures.

"...we were reliant on the firm's integrated expertise in corporate finance, financial services and regulatory issues and in relation to the share incentives for our employees who have invested in the new company"

David Lough, Managing Director,
Heartwood Wealth Management

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University spin-outs

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"...extremely responsive and very helpful lawyers," (with) "in-depth knowledge present throughout the team."

Chambers 2006

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