

December 2008

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Looking Forward

On behalf of the team I would like to thank you all for the support given throughout the year, I look forward to the changes and possibly challenges we will see in 2009. As the financial landscape looks set to be one of continued uncertainty, it is crucial that the funding options available to Entrepreneurs and SMEs remain stable.

YFM has successfully managed the North West Business Investment Scheme for five years now, and 20 SMEs have received investment from deals worth over £103m in the last 12 months alone. We are pleased to announce another fantastic realisation, Eclipse Energy, returning £1.5m to the fund, maintaining our profile of wealth and success creation.

As the M&A Awards are now calling for nominations, I thought it would be the perfect opportunity to get YFM funds the recognition they deserve. I would be delighted if you would consider placing a nomination for the North West Business Investment Scheme by following the link here, and choosing the Investment Fund of the Year option from the drop down list.

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Sale of Eclipse Energy makes £1.5m return for NWBIS

Eclipse Energy, a NWBIS portfolio company since 2004, was sold to Vattenfall, one of the largest electricity generators in Europe in a £70m sale in late November. This move enables Vattenfall to expand its presence in the UK market and to take an active role in the UK's third licensing round for offshore wind development.

Eclipse Energy was founded in February 1999 with the objective of developing, owning and operating low-carbon, sustainable upstream energy projects. The Company has developed a new concept for the hybrid production of electricity from offshore natural gas and wind resources.

"Eclipse is a great example of NWBIS backing an early stage business in a growth sector through a number of rounds to a successful exit. Management have had to deal with issues ranging from consenting delays to rising steel costs and a hugely changed funding environment, and are to be congratulated on achieving a highly satisfactory exit for all concerned." Simon Cleaver, NWBIS



In 2004 NWBIS backed the business with £150k to develop its submission for consenting of the highly innovative Ormonde Hybrid Wind and Gas power generation project in the East Irish Sea off Barrow in Furness. This was followed by a further three rounds of funding from NWBIS over the following years.

Creating Morecambe Bay's first combined energy wind farm will enable Eclipse to make a significant contribution to the UK's renewable energy targets under Vattenfall's ownership, and a further project to develop wind farms on brownfield sites for ABP plc is also underway.

"As part of our strategy to reduce emissions, Vattenfall has very ambitious plans within renewable energy. The UK is a prime target market for future growth, due to its well-functioning support systems, a deregulated and competitive market for electricity and openness to foreign investment, amongst other factors. Eclipse is a sound company with long experience within this field and has developed important projects in line with our business and ambitions". Lars G Josefsson, Chief Executive Officer of the Vattenfall Group.

Latest Investments Across The North West

Elffin Home Care	Oldham	Services	<i>Domiciliary care providers</i>
BGlobal Plc	Darwen	Energy	<i>Provides total end-to-end energy management solutions</i>
Darwen Holdings plc	Blackburn	Manufacturing	<i>Double deck buses, coaches and smaller vehicles.</i>
Name Your Number Limited	Bolton	Telecommunications	<i>Software enabling customers to design, search for, acquire and use a personalised mobile phone number</i>
Plasmaclean Limited	Manchester	Biotechnology	<i>Patented electronic self cleaning air filter technology</i>

Portfolio Developments



Optare Wins AIM Deal of the Year

The Insider Dealmaker Awards took place in Mid-November and we were pleased to see NWBIS portfolio company Optare picking up the award for AIM Deal of the Year. This award was designed to find the deal that has demonstrated bravery and ambition in the present climate. Darwen, design, develop and assemble public transport vehicles for domestic and international markets, floated on AIM in February 2008 and in June 2008 acquired Leeds-based rival Optare Group in a £15.95m reverse takeover.

YFM is delighted to have seen Optare go from strength to strength since its initial investment in the mid 1980s when it provided management and funds to start Optare following the closure of a British Leyland plant, and has provided subsequent funds at different stages of the business's development.

Elffin Home Care Makes Second Acquisition

Four of YFM Private Equity's funds have backed Elffin Home Care for a second time. This round of funding has enabled the business to acquire Elmwood Home Care, established 13 years ago to serve the community of Hyndburn. Having made their second acquisition in 12 months, Elffin are rapidly growing their group, whilst providing high level service in the domiciliary home care sector.

