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Summer 2005 update



Acquisitions

LGV has acquired three businesses for the LGV 4 fund to date, across its core areas of sector focus. Details of these, together with news of an acquisition by an existing portfolio company, are set out below:



UK
Management buy-out
Services

Kingfield Heath

In December 2004, LGV completed the management buy-out of Kingfield Heath, a leading business supplies wholesaler operating across the UK and Ireland, for £85m. The business was formed in 1999 by the merger of John Heath & Co, the oldest office products wholesaler in the UK, with Kingfield Wholesale Office Supplies. Until LGV's investment, the majority shareholder in the company was the Kaye family.

Kingfield Heath services a broad range of business customers including office supplies dealers and resellers throughout the UK and the Republic of Ireland. The company operates from

nine warehouses, including a state of the art central distribution warehouse at Magna Park, near Leicester. Each day the company processes about 10,000 orders for its customer base with supplies ranging from stationery, electronic consumables, catering and janitorial supplies to office furniture and diaries from a range of 20,000 products.

LGV's strategy is to support the management's growth plan which has come from improved efficiencies and increased sales in recent years. As evidence of this success, Kingfield Heath was recently awarded second place in The Sunday Times Profit Track 100 Index of fastest growing private companies, a position LGV would be only too delighted to see the business retain in the coming years!

www.kingfieldheath.co.uk



UK
Management buy-out
Healthcare

Verna Group

In April, LGV completed the acquisition of Verna Group Limited ("Verna"), a leading healthcare manufacturer. The business has been in private hands since its formation in 1960 and was owned by 150 different shareholders before the acquisition by LGV. The business is run by Chief Executive, Karen Haslam, who, although new to the role, has worked within Verna for 27 years.

Verna is a dynamic group of healthcare businesses employing 1,500 people with a turnover of approximately £60m. Its core business, Vernacare, is the UK market leader in the provision of pulp and infection control products to the acute sector, supplying 75% of UK hospitals. It supplies hospitals with a system for effective waste management, including disposable bed pans, and is one of the top 30 suppliers to the NHS.

Verna's fast-growing Care Shop subsidiary is one of the largest healthcare mail order suppliers in the UK, distributing over 8,000 healthcare and mobility products to nursing homes nationwide.

Verna has established a strong position in the provision of healthcare products and represents an attractive platform that is well suited to LGV's "buy and build" approach. LGV will continue to support Verna's successful growth story through extending its market leading position, particularly in the provision of infection control products to the NHS, and by focusing on the strategic shift of patients and resources to the primary care sector.

www.vernagroup.com



UK
Management buy-in / buy-out
Leisure

Tragus

In January, LGV completed the buy-out of Tragus Holdings Limited ("Tragus"), one of the leading casual dining groups in the UK. Tragus operates more than 150 sites across the country, serving over 10 million meals every year. Its key brands are Café Rouge and Bella Italia along with a brasserie operation comprising Mamma Amalfi, Abbaye, Leadenhall Wine & Tapas Bar and the Oriel restaurant in London's Sloane Square.

The strategy for the business going forward will be to expand the chain through opening new sites at a rate of 12 or so per annum. The majority of the new sites will be operated under the Café Rouge brand with the remainder being Bella Italia. As a result of

recent work on the menu and service offering, the company is enjoying very strong like for like sales growth, demonstrating the strength of the brands and the quality of the offering. As part of the Group's expansion strategy, a number of new facilities have been opened in recent months, including a Café Rouge at Heathrow Airport. LGV is committed to continuing the development of the business through opening new sites in the future.

A total funding package of £107m was put in place, which includes facilities to support the roll out. LGV believes that the casual dining sector, which is currently highly fragmented, offers opportunities for consolidation. In anticipation of this, Graham Turner, who LGV backed as Managing Director of the Unique Pub Company (a former investment in another consolidating sector), was appointed Chief Executive to work alongside existing senior operational management.

www.tragusholdings.com



UK & Ireland
Acquisition
Leisure

Vue acquires Ster Century UK & Ireland

In April, Vue an existing investment in the LGV 3 fund acquired the Ster Century UK & Ireland circuit. Ster Century has 7 multiplex cinemas built to the highest

specifications including the top grossing cinema in the UK & Ireland - the Liffey Valley multiplex. All auditoria have stadium seating, feature the latest audio visual systems and perfectly complement Vue's current circuit of 42 cinemas. The combined estate, which will be branded as Vue, has 49 modern purpose built multiplexes with 496 screens in total, with over 90% of its screens equipped with modern stadium seating, the highest proportion of any major circuit in the UK.

www.myvue.com



Disposals

LGV has recently agreed the sale of seven of its pre-2000 investments which will allow it to close a number of mature funds. Details of the sale of one of these investments is set out below:



Europe
Exit by management buy-out
Industrial

TCG

In April, LGV agreed to sell Trident Components Group ("TCG"), one of Europe's leading aluminium high pressure die casting companies, as part of a portfolio of other businesses.

Following the loss of key contracts in 2001/02, LGV instigated a number of changes including appointing Roger Burdett as Chief Executive in March 2003. Since this time, the business has performed strongly driven by the strategy of developing higher value added production in Germany and Austria whilst also

significantly developing TCG's production capacity for higher volume products in lower cost countries such as Slovenia, Croatia and Macedonia. The sale generated proceeds of 1.6 times the original investment. TCG had sales of €248m in 2004 and employs more than 2,400 employees.

www.tridentcomponentsgroup.com



Mithras receives Best Private Equity Trust accolade

Mithras Investment Trust plc, a quoted investment trust managed by LGV and a significant investor in LGV's funds, was recently awarded by the authoritative Money Observer publication, the honour of Best Private Equity Investment Trust in their 2005 Investment Trust Awards. This was in recognition of consistently superior investment performance in each of the past three calendar years. Money Observer selected Mithras against a total of 18 trusts in the Private Equity sector. Mithras recently reported a total return of 18.6% on equity in the year to 31 December 2004 and a year on year rise of 14.6% in its net asset value to £36m. During this period net debt reduced from £22m to net cash of £10m following several successful realisations achieved by LGV.