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Legal & General Ventures.

Winter 2005 update



Acquisitions

LGV acquired its fourth and final investment for the LGV 4 fund in July 2005 and details on this, together with details of an acquisition by an existing portfolio company, are set out below:

Classic Hospitals



UK
Management buy-in
Services



Classic Hospitals

In July, LGV completed the formation of Classic Hospitals. This was a complex transaction involving the acquisition of nine private hospitals from BUPA Hospitals. The business was sold without senior management, head office infrastructure or a brand.

The assets were acquired for an aggregate purchase price of £85m and form the basis of a new group called Classic Hospitals, which becomes the UK's fifth largest group of private hospitals. Collectively Classic Hospitals has over 300 beds and employs approximately 2,000 staff.

The private healthcare sector has grown each year since 1980 and LGV believes there are a significant number of

opportunities to expand the business in the future, supported by capital expenditure in the facilities.

LGV assembled an experienced management team to drive the business forward, with the appointment of four new senior executives, supported by the existing senior management of each hospital and the Divisional Director of BUPA Hospitals who transferred to Classic Hospitals. The team has a complementary range of skills with extensive experience in running healthcare businesses.

www.classichospitals.com



Setting standards
in analytical science

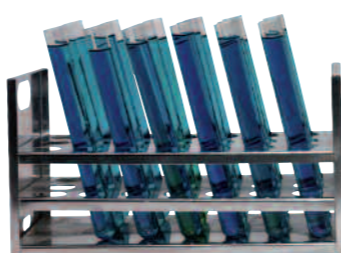
UK
Acquisition
Services

LGC acquires Forensic Alliance

In September, LGC completed the acquisition of Forensic Alliance Limited ("FAL"), the UK's largest private sector provider of forensic science services to investigators and the courts. The combined forensic capabilities of LGC and FAL extend the breadth and depth of solutions available from a single source. These are fundamental to the effective performance of the police service and the court system, and to the resolution of issues affecting private sector customers. In addition to its other scientific services, LGC's forensic expertise includes DNA profiling, digital crime units, questioned documents, forensic drug analysis and toxicology.

FAL provides a complete range of services across all areas of mainstream forensic science, in addition to more specialist offerings including forensic ecology, integrated pathology and specialist firearms examination and ballistics. The acquisition of FAL represents the second major acquisition by a company in the LGV3 fund this year, following Vue's recent acquisition of Ster Century's UK & Irish cinema sites.

www.lgc.co.uk



LGV5 Fund

Having made four new investments in its previous fund, LGV has now raised its latest fund, the LGV 5 Private Equity Fund Partnership. LGV was pleased to be able to increase commitments from existing external investors as well as securing three new investors. LGV 5 achieved its target of £200m, a 10% increase on LGV 4 with Legal & General's Life Fund representing 45% of commitments. LGV 5 will be expected to be invested over a period initially of 12 months in LGV's core sectors of consumer, leisure and service sectors.



UK
Refinancing
Leisure

Club Company refinancing

In September, LGV completed a refinancing of The Club Company, one of the UK's leading golf and country club operators, which was acquired in a public to private in May 2004. The refinancing has allowed LGV to realise most of its original investment, while retaining within the business sufficient surplus cash to finance committed health club developments.

The Club Company operates 11 golf & country clubs in the UK. The clubs are predominantly freehold or long leasehold. The Club Company country club format offers members a full range of facilities including superb golf courses, gyms, swimming pools, spas, sauna, health & beauty, crèche and function rooms.

Since LGV's acquisition, The Club Company has invested in developing new country club facilities at three sites and its flagship development at The Warwickshire club includes a new £7m clubhouse which opened in November 2005.

www.theclubcompany.com



Disposals

Following the sale earlier this year of seven of LGV's pre-2000 investments, we have successfully sold two further businesses, bringing total proceeds from 24 realisations since 2000 by the LGV team to £650m.



UK
Exit to Secondary buy-out
Services

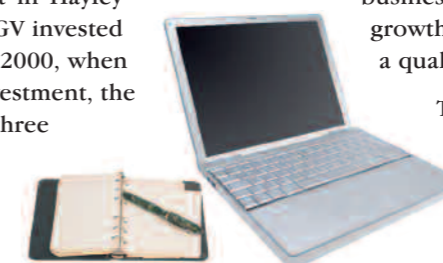
Hayley Conference Centres

In September, LGV sold its investment in Hayley Conference Centres ("Hayley") to 3i. LGV invested approximately £17 million in Hayley in 2000, when it operated five centres. Since LGV's investment, the Company has successfully developed three new centres as well as completing significant extensions at a number of the original sites. Hayley is one of the leading dedicated conference centre

businesses in the UK and has achieved market leading growth of 17% CAGR over the past 5 years by delivering a quality, bespoke service to its customer base.

The sale capitalised Hayley at over £180 million and allowed LGV to realise a return of 2.5x its original investment made in 2000, equivalent to an IRR of 21%.

www.hayley-conf.co.uk



France
Exit to Secondary buy-out
Leisure

Moliflor Loisirs

In November, LGV completed the sale of its remaining French investment, the casino business Moliflor Loisirs, to a management buy-out backed by Bridgepoint Capital. The sale, (which valued Moliflor Loisirs at approximately €450m) allowed LGV to realise a return on its investment made in 2002 of close to 2x its money. Moliflor Loisirs operates 20 casinos, mostly in medium-sized French cities and is the third largest operator in the market. The sites contain about 1,700 slot machines as well as restaurants and other gaming facilities. Moliflor was founded in 1948 and during LGV's period of ownership it has grown from an estate of 16 facilities to 20 through acquisition.

www.moliflor.com

