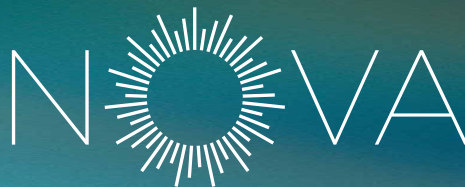


Barloworld Scientific Laboratory Group



A Nova Case Study

Portfolio Acquisition

Transaction:	Portfolio acquisition from a listed corporate
Vendor:	Barloworld Ltd
Portfolio:	Barloworld Scientific Laboratory Group: Encompassing 6 businesses
Geography:	UK, France, Germany, Italy, Spain, US and China
Sector:	Engineering & Manufacturing / Services & Distribution
Deal size:	£75 million
Date:	November 2007

The £75 million sale of the Barloworld Scientific Laboratory division of businesses moved the vendor further towards its strategic objective of repositioning as a focused distribution company – and at the same time unlocked shareholder value. For the businesses themselves it marked the start of an exciting period of growth.

Nova's acquisition of the **Barloworld Scientific Laboratory Group** followed a strategic review by global operator Barloworld Ltd of its structure and direction resulting in the decision to dispose of its non-core assets. Their decision to sell to Nova was driven by Nova's ability to: acquire the Group in its entirety, at a favourable price, within the desired timeframe - and provide a strong partner for the businesses going forward.

Barloworld Ltd is an international industrial company listed on the Johannesburg Stock Exchange at a market capitalisation of £1.3 billion. With operations in 26 countries, the business distributes leading international brands to provide integrated rental, fleet management, product support and logistics solutions in a number of business segments.

In January 2007, following a strategic review of both the structure and direction of the business, the newly appointed Chief Executive, Clive Thomson (previously Chief Executive of Barloworld Equipment) announced the firm's intention to sell a number of its non-core subsidiaries including its scientific division.

Barloworld Scientific Laboratory Group

The division, which encompassed six principal business lines, designs, manufactures and distributes equipment and consumables for scientific, clinical and industrial laboratory applications. Its products are sold in over 100 countries and are principally designed and manufactured in the UK. Employing over 950 staff, the businesses are based at four major manufacturing sites in the UK and have subsidiaries in Spain, China, US, France, Italy and Germany.

The Group had some of the strongest brands in the market. These include scientific equipment brands Jenway, Techne and Stuart; Carbolite ovens and furnaces; glassware brands Quickfit, Pyrex® and MBL; and plasticware brands Sterilin and Azlon. The Group also includes Afora SA, the leading Spanish distributor of laboratory equipment and consumables.

David Williamson, Managing Partner, Nova explains: "We recognised the quality of the underlying businesses. The Group had experienced staff, a strong customer base, highly respected brand names and well established distribution throughout much of the world. The opportunity for us was ideal in terms of size, geography and growth potential. We were keen to work with all parties to deliver a deal that met their needs."

Why Nova?

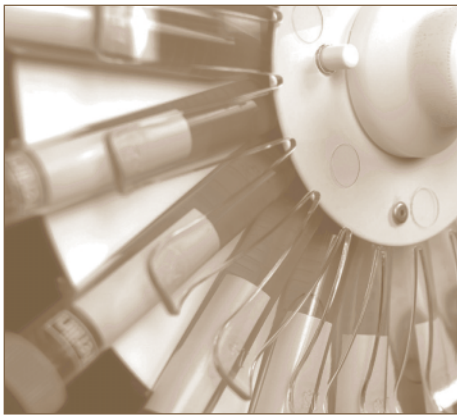
As a specialist acquirer of portfolios of businesses, Nova had the experience to offer a transaction that would encompass all the Barloworld Scientific Laboratory Group business streams at the right price and in the required timeframe. Trade buyers showed interest in parts of the Group, but a part sale did not fit with the vendor's strategic objectives and a series of single asset transactions may have jeopardised the desired timing.

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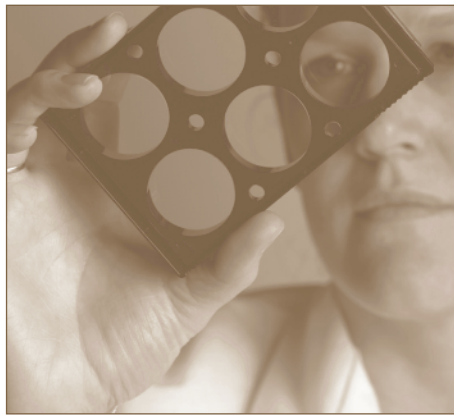
This successful sale was another important milestone in executing the strategic actions to reposition Barloworld as a focused distribution company and to unlock shareholder value.

John Blackbeard
Chief Executive
Barloworld Scientific

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Stuart rotator



Iwaki plates



Glass blowing

Other financial buyers operating within the traditional private equity single asset market, considered the transaction to be both too disparate and complicated given its divisional structure and international spread. For Nova, however, the opportunity to acquire a group of businesses in a single transaction that required complex restructuring was exactly right.

David Williamson explains: “The experience and scope of our team meant that we were able to assess quickly the entire division to achieve a considered view of its value as a portfolio of separate businesses and of the ongoing strategy for each business stream post acquisition. This assessment included focused due diligence tailored to each part of the Group.

“This meant that we were able to provide both the vendor and management of the businesses being acquired with an efficient and transparent transaction.”

John Blackbeard, Chief Executive, Barloworld Scientific said: “At £75 million Nova not only offered a good price for the Group in its entirety, but a clear ability to transact effectively within the desired timeframe. Having built the Group to the success that it had become, we wanted a buyer that understood the sector and the future opportunities for each business. Nova clearly had the operational and strategic capabilities to support the next stage of their development.”

Chris O’Connor, Managing Director, Barloworld Scientific added: “The sale of a company can be a lengthy and time consuming process and, for management, a real distraction from the most important job of running the business. Nova’s team was highly focused and unobtrusive. Their approach meant that we were able to get on with the job of continuing to grow the division during this time. In fact we had a record year’s trading.”

Other considerations

The multi-jurisdictional nature of the laboratories group meant that the transaction involved the acquisition of 12 legal entities located in the UK, Italy, France, Germany, Spain, US and China. Barloworld recognised the inherent complexities associated with a transaction with such a geographical spread of operations.

John Blackbeard said: “As a global operator we understand that there are many considerations associated with cross-border business. Nova demonstrated significant experience in delivering international transactions. This gave us added assurance of their ability to deliver the deal.”

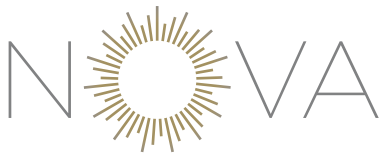
From a pensions perspective, the Group was party to a large number of pension arrangements, some of which could not be transferred. Nova worked with Barloworld to agree new structures and to successfully put these in place.

The deal

In October 2007, the acquisition of the Barloworld Scientific Laboratory Group of businesses was announced at a price of £75 million. The deal completed on time at the end of November 2007.

John Blackbeard commented: “This successful sale was another important milestone in executing the strategic actions to reposition Barloworld as a focused distribution company and in unlocking shareholder value.”

(Continues overleaf)



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Nova - the specialist acquirer of corporate and private equity portfolios.

In a single transaction, Nova enables corporate owners and financial sellers, to successfully unlock their holdings in a portfolio of companies.

Nova Capital Management Limited is authorised and regulated by the Financial Services Authority.

Since the deal was done

Adam Robson, Operating Partner, Nova said: “In the first three months post transaction, working with the management teams, Nova launched the businesses on to their new growth paths through full strategic reviews, augmenting the management teams, re-organising sites and implementing investment plans. As a result the businesses are set to increase capacity, launch new products, open new sales offices and make strategic acquisitions. A particular challenge has been to unravel the previous divisional structure whilst maintaining customer service.

“Some significant value enhancing transactions have already been initiated. For example, Bibby Scientific has formed an alliance with Techcomp, a leading distributor and manufacturer of proprietary high-technology laboratory equipment in China, to collaborate on manufacturing, marketing and sales initiatives worldwide.”

Chris O’Connor added: “Working with Nova has provided a fresh opportunity to re-think each business and accelerate its growth. The businesses have has a strong track record of delivering quality products in each market they serve and we look forward to building upon our achievements to date and further strengthening our global footprint.”



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Chris O’Connor
Managing Director
Barloworld Scientific



The Group’s structure today

■ Bibby Scientific – a leading designer and manufacturer of bench-top laboratory equipment, supports and sells its products worldwide through a global network of representative companies and distributors.

■ Carbolite – a world leader in the design and manufacture of specialised and customised furnaces, ovens and incubators for use in laboratories and production processes.

■ SciLabware – the leading European full range supplier of quality reusable laboratory ware, under the Pyrex® brand for glassware and the Azlon brand for plasticware. (Pyrex is a trademark used under license from Corning Inc.)

■ Sterilin – the UK’s leading manufacturer and supplier of single use plasticware for clinical and laboratory use in Life Sciences.

■ Afora sa – the leading Spanish distributor of laboratory equipment and reusables.

■ Dynalab – a specialist importer and repackager of laboratory reusables and equipment for the US laboratory distributor market and other specialist applications.