

Merlin is one of the leading financial and strategic PR consultancies in the UK, advising clients internationally on financial, business and corporate communications at Board level. 2005 has so far been a busy year for Merlin with a highlight being the successful listing of Russian steel and mining business Evraz Group S.A. on the London Stock Exchange, achieving a market value of \$5.1 billion and a fundraising of \$422m.

We have advised on the continuing restructuring of support services group Jarvis, and the offer for Urbium by pub/bar operator Regent Inns. The Aerospace and Defence team has supported EADS in the World Trade Organisation dispute between Airbus and Boeing and the completion of the acquisition of FLS Aerospace by SR Technics. In financial services, we have continued to promote constructive dialogue between the media and our Hedge Fund clients, as well as supporting our Private Equity clients on a large number of high profile transactions.

The latter included the realisation of investments in Molton Brown and Lynx Express by Bridgepoint; the sale of 3i-backed nuclear services company NNC to AMEC plc; and Close Brothers Private Equity's acquisition of CanDu Entertainment Group from Luminar plc, as well as its sale of Park Resorts, the caravan park operator, to ABN Amro.

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“The Evraz deal is expected to be the largest international listing by a Russian steel company”
Financial Times

Evraz Group S.A.

One of the largest listings in London in 2005



On June 8th, Evraz Group successfully completed the listing of Global Depositary Receipts on the London Stock Exchange in an IPO and capital raising of \$422m. Evraz is one of the largest vertically integrated steel and mining businesses in the world. The Group's operations are mainly in Russia and it debuted on the LSE with a market capitalisation of US\$5.1bn.

Evraz produced 13.7 million tonnes of crude steel in 2004, ranking it as the largest steel producer in Russia and among the fifteen largest steel producers in the world.

Working alongside the in-house team, Merlin's role as strategic communications adviser commenced a number of months before the announcement of intention to IPO. Key elements included advising on the management of news flow both inside and outside the company, as well as making recommendations on the financial sections of the Evraz website. A most important element was our role in co-ordinating communications activity with Evraz's other advisers.

One of the most interesting and challenging aspects of the transaction was the need to work within strict legal constraints imposed by the legal jurisdictions in the UK, USA and Russia. This required careful and considerate handling of all news flows to the media, respecting the multiplicity of these national jurisdictions.



“SR Technics achieved three key business targets with the successful integration of FLS Aerospace”
Flight International

SR Technics

Explaining the Aerospace MRO business to the City



On May 25th, SR Technics, the world's largest independent airline technical services company, announced its full year results at press conferences in London and Zurich, and confirmed its intention to seek an IPO in the medium term.

Merlin has been advising SR Technics since the Fourth Quarter of 2004. In the last year, the company has completed the acquisition of FLS Aerospace, broadening its existing capabilities to include Boeing in addition to Airbus, and widening its geographical spread to include major facilities at Stansted and Dublin. The Company also launched its new Component Asset Management business and won the influential Flight International Aerospace Strategy Award at the 2005 Paris Airshow – against tough competition from Airbus and NATS.

SR Technics has faced the major challenge of building understanding about a part of the Aerospace market previously little known to financial

audiences. Outsourced aviation support services, and specifically SR Technics' total fleet management solution, have proved vital to the success of airline customers such as Dragonair, easyJet and Air Caraïbes, allowing the airlines to focus on what they do best – providing a high level of service to their passengers.

Merlin has been engaged by SR Technics to assist in a wide-ranging brief on strategic financial and business communications, working closely with its executive management team. SR Technics' main shareholders are 3i and Star Capital with investment from SR Technics' management and a range of other funds.

Bridgepoint

“The speed with which Bridgepoint raised the fund and level of support illustrate growing investor appetite for mid-market deals”
Financial Times

Bridgepoint

Secures €2.5 billion mid-market fund raising

In May, Bridgepoint raised one of Europe's largest mid-market buyout funds at €2.5 billion in just over three months and was oversubscribed with investor demand by around 30%. Bridgepoint now manages over €5 billion and has investments in over 70 companies across Europe.

Bridgepoint successfully completed its own management buyout from National Westminster Bank in 2000. Merlin has been advising Bridgepoint since its buyout, providing strategic communications advice and support with regard to investments, exits and the firm's overall profile-raising activities.

Bridgepoint has been one of the most active 'deal-doers' among European private equity firms in recent years. In 2004, the firm completed 15 major exits, returning over €700 million to investors. Deals included the £350m sale of IMO Car Wash, which generated a three times cash multiple on the equity invested, and the disposal of Alcontrol, an analytical service testing business.

Since 2000, the firm has returned over €3 billion to investors. In the last 12 months, Bridgepoint has made over 12 major investments, including the £230m acquisition of Pets at Home; the acquisition of Faith Shoes; and the MBO of Tilney, the private client fund management business with FUM of £5 billion.



Bridgepoint backed the £230m buyout of Pets at Home



“It is now seen as a strong recovery candidate and possible leader in high street consolidation”
Independent

Regent Inns plc

Rapid re-establishment of investor confidence



In October 2004, Regent Inns, the operator of late-night, entertainment-led venues including the Walkabout and Jongleurs brands, appointed former Scottish & Newcastle Directors Bob Ivell and John Leslie as Executive Chairman and Chief Financial Officer respectively.

The UK High Street pubs and bars sector had experienced a slowdown and a difficult trading environment, and Regent Inns had suffered a loss of shareholder confidence and the departure of its former Chief Executive and Finance Director in September 2004.

Merlin has worked closely with the new management at Regent Inns to help re-establish shareholder and City confidence in the Company. In particular, the focus has been on communicating the Company's strategic priorities, its improved trading performance and the operational changes the new team has made to the business, to equity analysts and the financial media.

Regent Inns has demonstrated its strategic aim to participate in consolidation of the High Street pub and bar sector by its indicative offers to acquire Urbium plc, subsequently withdrawn.

The Company's share price has risen from a low of 30p in October 2004 to 81p in July 2005 and there have been five analyst upgrades on the stock in the same period.