

CASE STUDY

THE ENVIRONMENTAL GROUP

In 2007 the CVC Sustainable Investments Fund (CVC SI) participated in and assisted The Environmental Group Limited (ASX:EGL) to raise \$7.5 million in new equity. EGL, an ASX listed facility management and innovative environmental services company resolved to accelerate its acquisition strategy and increase its product and service portfolio to its industrial, resource, energy and municipal clients.

In addition to subscribing to a placement, CVC SI agreed to underwrite the associated shareholder rights issue. CVC SI further supported the Company through the appointment of senior and experienced executives to the Board and secondments as required from its extensive network with the objective of increasing EGL's capability to execute and deliver on its strategy. This recognised that successful high growth companies require both management talent and equity to grow.

In the twelve months post investment by CVC SI, EGL completed three acquisitions. These acquisitions with their proven track records significantly enhanced EGL's

operational coverage and depth and provided a platform for future profitable growth: Total Air Pollution Control P/L(NSW) broadened EGL's existing pollution control business to include products serving the smelting and metals processing sectors; and both Moranbah Engineering P/L (QLD) and Lenmac Engineering (NSW) which increased EGL's geographical penetration in NSW and expansion into Queensland, particularly in water reticulation projects and related services to the mining sector.

As a result of this phase of development and growth with the backing of CVC SI, The Environmental Group Limited restored profitability and paid a maiden fully franked dividend in October 2008.



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