

STONE GROUP IN MANAGEMENT BUYOUT

Catalyst Corporate Finance, the award winning mid market corporate finance advisory business, has led the £28 million secondary management buy out of Stone Group.

The Staffordshire-based company, which employs nearly 200 staff, configures servers, desktop PCs and notebooks to order. Stone Group sells to a variety of clients within the public sector, with a specific focus on schools, further and higher education. It is also an authorised re-seller for a range of branded hardware products including IBM and Samsung.

Catalyst advised Stone on the original MBO and has built a strong relationship with the management team over the last 3 years culminating in their appointment as lead advisor on this transaction. Jamie Hope, Director at Catalyst, commented "We have worked with James and his team for a number of years. Stone is another example of a UK manufacturer which can prosper by understanding its niche and providing its customer base with class leading service back up."

RJD Partners, a leading UK middle market private equity firm, was the preferred investor and Jill Williams of RJD Partners, said: "Stone is one of the UK's leading independent suppliers of IT hardware to the public sector, with a strong reputation for service. We are excited to have the opportunity to work with the management team to continue to build on their success to date".

James Bird, chief executive, founded the business in 1991 to assemble and supply desktop personal computer systems for further education colleges under the company name Omega. Following an MBO in 2005, the company changed its name and expanded through the acquisition of Compusys in January last year.

James Bird will remain as CEO post-completion of the deal. He said: "This transaction is designed to provide Stone with the right shareholder base to allow us to continue with our strategy of organic growth, through continued focus on customer requirements and provision

of a comprehensive, first class service to satisfy these, together with selective acquisitions where these complement and enhance our existing business“.

The MBO has been financed through a combination of management reinvestment and funds managed by RJD, with banking facilities provided by Barclays. The MBO is the fourth investment by RJD Partners through the RJD Private Equity Fund II.

RJD Partners was advised by Eversheds and PricewaterhouseCoopers. Stone Group was advised by Catalyst Corporate Finance and HBJ Gateley Wareing.

ENDS

End

For further information please contact:

Andy Currie

andycurrie@catalystcf.co.uk



Note to editors

Catalyst Corporate Finance

Catalyst is a leading independent corporate finance advisory firm and was recognised by the 2007 Acquisitions Monthly awards as the Independent Corporate Finance House of the Year and “unquote” magazine award for the 2007 Corporate Financier of the Year.

With a focus on providing strategic corporate finance advice to owner managed businesses, public companies and management teams, Catalyst is committed to supporting clients in growing and realising their shareholder value.