
Press Release

3rd April 2006

HERMES PRIVATE EQUITY ACQUIRES MAYFAIR GAMING

Hermes Private Equity has acquired Mayfair Gaming, a bingo operator with 8 clubs across the UK, from Risk Capital Partners. Deloitte Corporate Finance and Linklaters advised Hermes Private Equity and Newco and Livingstone Guarantee and Pinsents advised the management team. Debt facilities were provided by The Royal Bank of Scotland's Thames Valley Corporate and Structured Finance team. The price was not disclosed.

Risk Capital Partners and an MBI team acquired Mayfair Gaming in 2004. The management team, led by Simon Hannah, CEO, with Paul Viner as FD and Mark Jepp as Operations Director, will remain in place and will reinvest a significant proportion of their proceeds.

Mayfair Gaming has bingo halls in Aberdeen, Pudsey, Streatham, Bristol, Brighton, Newark and two sites in the Newcastle area. Mayfair Gaming has turnover of £12m in 2005 with a total membership of 131,000.

Hermes' and management's strategy is to grow the business through a niche roll-out, targeting locations appropriate for a smaller operator to serve a local customer base. A ninth club is due to open later this year.

Simon Hannah, CEO of Mayfair Gaming said: "Mayfair Gaming has developed as a strong National bingo operator in recent years and now has an excellent platform from which to develop. The success of the recently opened club in Newark demonstrates that Mayfair has a very attractive product. I believe there is also further growth potential in our existing estate."

Justin Ward of Hermes Private Equity said: "We believe the bingo market has some strong investment features and Mayfair Gaming is now established to make more of the opportunities in the next few years. There is interesting potential to grow both organically and through acquisition of small operators in what remains a very fragmented market."

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For further information:

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Notes to editors

Hermes Private Equity (HPE), the private equity arm of Hermes Pensions Management, is a distinctive private equity firm. HPE has c £1 billion committed to private equity, both as an active investor in external private equity partnerships, and through its own direct investment activity. The direct investment activity held a closing of its second fund HPEP II for £250 million in 2005. The fund is focused on the UK and European medium-sized buy-out market. HPE has led the management buy-outs of Walbrook, Merlin Entertainments, Oyezstraker Group, Elec-Track Installations, The Works and Ashworth Mairs Group.

www.hermesprivateequity.co.uk