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## **IMO ACQUISITION TO CREATE WORLD'S LEADING CAR WASH GROUP**

IMO Car Wash Group Ltd, (“IMO”), Europe’s largest conveyor car wash business, announced today that it has completed the acquisition of its former sister company, the Toman Group (“IMO Germany”), from Harpen AG (a subsidiary of RWE AG). The combined operations represent the world’s largest car wash group with almost 800 sites, some 250 of which are in the UK.

### **Background to IMO**

The original IMO was founded in 1965 and rapidly developed a chain of automated car washes extending to Switzerland, Holland, Germany and the UK. In 1990, the German operation was sold to fund development of the UK business. The German operation was subsequently acquired by the RAG group in 1994 before being sold on to Harpen AG in 1998.

In 1998, Bridgepoint Capital (then NatWest Equity Partners) led an institutional investor backed management buy-in to IMO, acquiring the Group (ex-Germany) for £114m. Phoenix Equity Partners and BNP Paribas partnered Bridgepoint in the deal.

Today’s acquisition therefore reunites the two businesses and provides the Group with a leading market position in Germany.



The combined Group has a total of almost 800 car washes throughout 12 countries in Europe and should wash over 32 million cars next year.

### **Reasons for the acquisition**

The Group's strategy behind the acquisition is as follows:

- IMO Germany has a very strong leadership position in the highly fragmented German market, thus providing a foundation for further consolidation through follow-on acquisitions.
- IMO Germany is geographically complementary to IMO and there will be no cannibalization of existing sales.
- Significant synergies in the areas of administration, marketing, and procurement should be achievable through the combining the two businesses.
- It will increase the attractiveness of the existing business by creating a more substantial pan-European Group with the necessary scale to conduct an IPO (or by offering a potential trade purchaser extensive European coverage).

### **IMO's car wash system**

The IMO conveyor car wash system has been perfected over 35 years. As compared to traditional petrol company roll-over washes, IMO's conveyor car washes use 7 to 8 brushes and wash up to 90 cars per hour, providing customers with a better quality wash



and faster service at value for money prices. Conveyor car washes can clean 4 cars simultaneously, pulling cars through the machine on a continually rotating conveyor chain, speeding up and improving the efficiency and quality of the wash. This allows IMO – unlike most of its competitors – to satisfy high demand at peak periods, such as sunny Saturday mornings after a week of rain.

IMO is also environmentally friendly, recycling 70% of its water and using biodegradable shampoos and waxes in its wash process. In addition, because the car is aligned by the chain as it passes through the conveyor tunnel, IMO's washes are much more gentle on a vehicle's surface than a typical car wash found at a petrol station.

To help transform IMO's dated retail image, the Group recently commissioned Conran Design to modernise the look of its sites, which are usually located on busy roads in convenient locations. A new brand, namely "ARC", and a fresh, new, predominantly blue colour scheme are being applied to sites on a roll-out basis, initially in the UK. 150 sites have been 're-imaged' during 2001 with high levels of customer acceptance and improved revenue growth.

### **Group Strategy**

IMO intends to continue its organic growth by rolling out new sites in its current markets at the rate of 30 to 50 sites per annum. The Group is likely to seek a stock market flotation or sale to a trade buyer within 2-3 years.



## Management Team

Jorge Tavares (Chairman), Bret Holden (Chief Executive) and Mike Smith (Chief Operating Officer) were all recruited from senior marketing positions in the Oil Industry. They are joined in the senior team by car washing veterans Alexander Russell (Deputy Chairman) and Anne Duchamp-Kubler (Chief Financial Officer).

Commenting on the acquisition, Bret Holden said:

*“ We are delighted to be bringing together again the two IMO businesses into one group. We are now clearly positioned as sector leaders in both a European and global context and our growth prospects are substantial. This deal marks a milestone in our progress toward an IPO within the next 2-3 years ”.*

From Bridgepoint Capital’s perspective, IMO management have been very successful in growing and refining the business. Vince Gwilliam, Director of Bridgepoint Capital, said:

*“IMO is a very high quality business which, following this deal, will rapidly achieve annual revenues of around £100m. By providing further financial backing to the strong management team alongside new banking lines for growth, we believe the business can continue to build on its success.”*

**- Ends -**

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