

PRESS RELEASE

FOR RELEASE – 2nd NOVEMBER 2009

WestBridge Fund Managers completes Management Buy Out of e-learning business, e2train Ltd

WestBridge Fund Managers (“WestBridge”) has completed the MBO of the e-learning business, e2train Ltd. Funds managed by WestBridge Partners total c£1.2m, with a significant proportion to be bridged into its forthcoming £50 million WestBridge SME Fund. The remaining monies for the transaction came from the management team with debt finance provided by Royal Bank of Scotland.

An established software business, e2train is a leading provider of learning and performance management systems, which help large enterprises deliver e-learning to its employees. It has a host of loyal, blue chip customers across the public and private sectors, including the NHS, The Home Office, Boots and O2. The business has grown rapidly under the stewardship of the CEO, Rob Caul, who has been involved with the business since it was founded in 2000. The business continues to perform against the economic downturn with top line growth of more than 20%. Being cash generative, and with double digit operating profits despite the recession, e2train will be recruiting new staff in the coming months at its Cirencester headquarters.

Rob Caul and his management team were advised in the buy out by Gambit Corporate Finance. Valerie Kendall, the WestBridge partner who led the deal, shares Rob’s belief that the business will continue its rapid growth rate, having invested heavily in R&D over recent years, and having just launched the latest version of its flagship Kallidus product.

WestBridge and RBS are delighted to back this proven management team. As part of the MBO, John Caines joined the board as Non executive Chairman. As well as being a successful entrepreneur in the software sector, John is well known in the South West, as a former chairman of the SWAIN angel network, and is an associate partner of WestBridge.

Rob Caul, CEO of e2train Ltd said: “I am delighted that we have been able to complete this transaction with WestBridge. The fact that WestBridge involves both high-net worth and

institutional investors should ensure that we receive more than just equity finance. I am very much looking forward to working with Valerie and the team over the coming months and years.

I must also thank the team from Gambit Corporate Finance, who have been working with us to deliver this transaction. We are extremely pleased with the support and guidance that Geraint Rowe, Andy Charter and the rest of team have given us to make this transaction possible.

John Caines, non-executive chairman of e2train said: "I am thrilled to have invested in e2train and to have joined the board as chairman as part of this transaction. Rob and his team are both an experienced and well-rounded group of business managers that have consistently grown the business and who I believe will go on to more success. I am delighted to be part of the company's future."

Valerie Kendall, Partner, WestBridge Capital LLP, said: "We believe e2train to be an attractive fast growing profitable company well placed in its market to take advantage of the trends towards more efficiently delivered and effective training in larger corporates. Rob has built up an experienced and eminently backable team and John Caines is an experienced chairman with a demonstrable track record in that role. WestBridge is very much looking forward to working with the team to take the company to the next level of development."

Charles Davey, Associate Director, Royal Bank of Scotland said: "We are pleased to have provided debt finance alongside Rob Caul's team and WestBridge to effect the management buy-out of e2train. The company is a well-managed business that has shown that it can thrive in the current business environment".

Andy Charter, Director, Gambit Corporate Finance said: "We believe e2train has an excellent management team with a clear strategy to leverage its blue chip client base to grow the business and take advantage of the opportunities within the rapidly expanding e-learning and performance management environment.

It was good to work with the WestBridge Capital team on what will be their inaugural investment from their new equity fund. Their personal approach, support and enthusiasm for management's strategy was instrumental in securing the investment opportunity."

Notes

Valerie Kendall, Scott Barham and Sandy Smart led the deal on behalf of WestBridge. WestBridge's principal advisers were Berry Smith (legal), Targeting Innovation (commercial diligence) and PKF (financial diligence).

Management's principal advisers were Gambit Corporate Finance (lead advisory) and Burgess Salmon (legal).

The bank's principal advisors were Thring Townsend Lee and Pembertons (legal) and PKF (financial diligence).

e2train

e2train is a provider of web-based learning and performance monitoring software. It supplies a suite of products under the Kallidus brand which manage, create, deliver and review learning and performance requirements within an organisation.

The company was founded in April 2000 and currently employs 34 staff based out of offices in Cirencester, Gloucestershire.

www.e2train.com