



**For Immediate Release - 17 June 2010**

***Bridges Ventures invests £5.5m in The TEG Group PLC***

Bridges Ventures is pleased to announce that its Bridges Venture Fund II has agreed a £5.5 million cornerstone investment in The TEG Group PLC (TEG), the AIM-listed organic waste solutions business. Following a share placing, Bridges Ventures will own 22.3% of the enlarged share capital of TEG. This investment facilitates the acquisition of Simpro Limited creating a national organic waste solutions business, as well as funding TEG's ongoing expansion of operations.

TEG's activities divert waste from landfill and will in future also generate renewable energy. The investment made by Bridges Ventures has enabled TEG to raise the necessary capital, during challenging public equity conditions, to acquire Simpro Ltd, the owner of six composting sites in the Midlands. This acquisition increases TEG's operating sites to 10 in the UK, with no geographic overlap of TEG's existing operations. Part of the £5.5 million investment will be used to fund additional sites in regeneration areas.

This is Bridges Ventures' first investment in a public company. It will play an active role in this investment and will be represented at TEG Board level in due course. This builds on the Venture Funds strategy of investing in ambitious businesses in regeneration areas and/or the sectors of education/training, environment and health and is their second environmental deal this year.

**Ian Hislop** of Bridges Ventures said:

"Bridges Ventures is delighted to have made this investment to help TEG fund the acquisition of a complementary business and continue to expand. This is a first for Bridges Ventures investing in a public company and we're excited about the extremely good fit with our focus on investing in regeneration and the environmental sector. This is a great growth story and TEG is well positioned to take advantage of the evolving waste recycling and waste-to-energy markets."

**Michael Fishwick**, Chief Executive of TEG said:

"We are delighted to have agreed the acquisition of Simpro and to have received the support of Bridges Ventures and our current shareholders to do so. In addition to immediate revenues and cash-flow, the acquisition brings tremendous potential for further expansion using TEG's IVC and AD technology in the Midlands, and TEG is now a truly national business with sites and operations throughout the UK. The organic waste market continues to grow rapidly, we have a strong pipeline of projects and we expect to develop a range of further TEG facilities. We look forward to working with Bridges Ventures and we expect their expertise and presence in the waste and cleantech sectors will be very positive for the company."

**- Ends -**

### **Fund enquiries:**

The Venture Funds invest equity in ambitious businesses with the potential to make strong financial returns and have a positive social impact in specific regeneration areas and/or sustainable sectors. Those businesses looking for growth capital should look at the criteria on our website at <http://www.bridgesventures.com/criteria> or contact Anne-Marie Harris on 020 7262 5566 [info@bridgesventures.com](mailto:info@bridgesventures.com).

### **Media enquiries:**

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### **Notes to editors:**

#### **Bridges Ventures**

Bridges Ventures is an investment company established in 2002 as a fund manager with a social mission whose commercial expertise is used to achieve social or environmental aims as well as attractive returns for investors. Four funds have been raised to date: Venture Funds I & II, the Bridges Sustainable Property Fund and the Bridges Social Entrepreneurs Fund.

Venture Fund I totaled £40m while Venture Fund II totaled £75m, beating its original target of £50m by 50%, and was closed in 2007. Investors in the second fund include HSBC, Co-operative Financial Services, Barclays Business Banking, Lloyds TSB and Citigroup, and individuals including Tom Singh of 3i, Dr Mike Lynch of Autonomy Corporation and Lloyd Dorfman of Travelex, as well as pension funds and endowments including the Universities Superannuation Scheme, the West Midlands Pension Fund and All Souls College.

The Venture Funds invest in businesses based in regeneration areas and in sustainable business sectors such as education/training, environment and health. Bridges Ventures typically invests up to £10m at a time in ambitious, entrepreneurial businesses including early stage, development capital and management buy-outs. So far, £70m has been invested in 34 companies, many of whose employees have come out of long-term unemployment. To date there have been five successful exits: Harlands in Hull, SimplySwitch in South London, HS Atec in Yorkshire, EB2 in South London and IDL in Bournemouth.

Bridges Ventures' key backers include Sir Ronald Cohen, co-founder and former chairman of Apax Partners, 3i and Doughty Hanson.

Bridges Ventures recently launched the Bridges Sustainable Property Fund, which invests in properties in regeneration areas and environmentally sustainable buildings that have the potential to make strong financial returns as well as delivering social and environmental impacts.

In November 2008, the Bridges Ventures Charitable Trust launched the Bridges Social Entrepreneurs Fund a quasi-equity fund which provides an innovative financing solution that is tailored to the needs of ambitious social enterprises.

For more information please go to [www.bridgesventures.com](http://www.bridgesventures.com)

#### **TEG**

TEG provides an in-vessel composting technology, which is one of the few approved technologies capable of treating animal by-product (ABP) waste, and is now providing an anaerobic digestion (AD) technology to produce power from food waste. Plant economics are predominantly driven by the gate fees charged, rather than the value of the end product (compost). The AD plants also benefit from power sales and Renewable Obligations Certificates ("ROCS") or Feed-in Tariffs ("FITs"). TEG owns its composting technology and has an agreement with UTS Biogastechnik GmbH ("UTS") for the provision of AD technology into the UK waste markets. The TEG processes are an economic alternative to landfill.

#### **The TEG Silo Cage System**

The Silo Cage system, one of the few technologies in Europe capable of treating this waste, is a natural process producing compost as an end product. The compost is an excellent soil conditioner that fertilises, retains moisture, provides structure and reduces the incidence of plant disease. TEG's Silo-Cages are housed in self-contained buildings, are not unsightly and are environmentally friendly.

#### Collaboration with UTS

Having supplied equipment to more than 1,500 equipped biogas plants, UTS Biogastechnik GmbH is one of the world's leading biogas companies. The UTS group of companies offers services in the planning, construction, delivery and installation of biogas plants and their key components. The company has its own production facilities and service shops, technical design and development departments as well as mobile mechanical and biological customer service technicians to support the international client base. UTS also develops and sells specialized mixers, pumps and a variety of solid/liquid separating devices related to the biogas and agro/food markets. The company is headquartered near Munich, Germany with subsidiaries in Italy, Hungary, Spain, the Czech Republic and now the rapidly developing company UTS Biogas Limited is able to service the United Kingdom & Ireland markets.

#### General

Customers include local authorities, waste management companies, food processors, farmers and landowners. The Company's expanding market is driven by increasingly stringent EU and UK legislation regulating the treatment and disposal of organic waste. Statutory targets for the diversion of waste from landfill increase annually through to 2020, increasing TEG's market opportunity year on year. The new Government has announced it intends to provide incentives for a "huge" expansion of AD in the UK.

The Natural Organic Fertiliser Company Limited ("NOFCO"), a subsidiary of TEG, is a marketing company specialising in the development of end markets for compost products, an important aspect of all plant developments and key to local authority development. The company has an expertise in the development of agricultural and horticultural markets and this capability is provided to customers to enhance TEG's overall service offering.

For more information please go to [www.theteggroup.plc.uk](http://www.theteggroup.plc.uk)