

## Press release

### **Celerant Consulting announces management buy-out**

Richmond, UK – The management of Celerant Consulting, the global operations management consultancy, today 24 May 2006, announced that they have agreed with Novell, Inc., to acquire Novell's majority shareholding for a total of approximately \$77m. As a result of the buy-out Celerant's management will hold 51 per cent of the business with Caledonia Investments plc, the UK quoted investment trust, holding the remaining 49 per cent.

The management buy-out was triggered by Novell's recent decision to focus on its core businesses. The sale brings to an end Novell's five year interest in Celerant, which saw a period of significant profit and revenue growth for the consulting business.

Caledonia has invested \$30m in equity and loan notes in the transaction and Jamie Cayzer-Colvin and Roland Fisher from Caledonia will be joining the Celerant board.

Ian Clarkson, Celerant Consulting CEO, said:

"The buy-out is an important milestone in the development and expansion of our business. It provides us with both the certainty and the opportunity to continue to invest in the platforms for growth in what is the fastest growing segment of the global consulting market.

With Novell's support over the last five years we grew to become the tenth largest global operational management consultancy with a significant presence in both Europe and North America. Caledonia, a long-term investor, is the ideal partner to help us continue this performance and consolidate our position."

Jamie Cayzer-Colvin, Director of Caledonia, added:

"Celerant is in the fast growing operations management consulting market sector with an established international footprint. It has multinational capabilities, a blue-chip client list and strong client relationships. We are pleased to be backing a strong management team that has steered Celerant through a strong period of growth."

For Novell, Jack Messman, Chairman and CEO, said:

“Celerant is well positioned for the future, with its strong history in management consulting and world-class consultants. Under its new ownership, Celerant can focus all its resources, including its top leadership, on its core management consulting business. We wish Celerant and all of its employees great success.”

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Notes for Editors:

About Celerant

Celerant is a leading management consultancy that delivers change by enabling clients to achieve profound business and operational performance improvement.

Celerant helps clients understand the reality of their business performance then works collaboratively to close the gap between that reality and the business aspiration. By driving improvements in processes and systems combined with profound behavioural change, Celerant helps clients achieve breakthrough performance with a high degree of certainty and sustainability.

This unique approach to delivering business performance improvement is called Closework®.

Since 1987, Celerant has completed projects in 44 countries across a range of sectors: chemicals, communications, energy, fast moving consumer goods, insurance, life sciences, manufacturing and utilities. The business has a number of capabilities, including asset management, process excellence, organisational alignment and effectiveness, revenue growth, integrated supply chain.

More information about Celerant can be found at [www.celerantconsulting.com](http://www.celerantconsulting.com)

#### About Caledonia

Caledonia is a long established investment company with international scope listed on the London Stock Exchange. Since April 2003 Caledonia has been classified in the Global Growth sector of investment trusts where its investment performance puts it in the top quartile over 1, 3, 5 and 10 years. Moreover, Caledonia's strategy has delivered outperformance against its benchmark FTSE All-Share Total Return index of 137% over the five year period to 30 April 2006 and 160.4% over the ten year period to 30 April 2006. Caledonia has a policy of delivering progressive annual dividends with a 38-year record of unbroken annual dividend increases. Through holding a diversified portfolio, Caledonia aims to maintain a medium overall risk position.

At 30 April 2006, Caledonia had an unaudited Net Asset Value of 2069p per ordinary share.

Caledonia's strategy is to focus on a portfolio of around 30 to 40 principal investments, where it has significant and influential stakes with a policy that at least 50% of the total portfolio should be in quoted securities or other liquid assets. New investments will typically be in the range £10 million to £25 million. Careful control is exercised over costs, notwithstanding Caledonia's active and participative management style. The Board believes that Caledonia has a long established and valuable reputation for being a supportive long term investor, which brings a strong deal flow of opportunities not always available to others.

Caledonia's investments are focused on a selected range of sectors where it has good in-house knowledge that can add value to management of investee companies. Where particular expertise is not held in-house, investments may be made through third party managed funds where Caledonia will often seek a significant stake in the management company.

Caledonia's selected sectors are: Financial: comprising 25% of net assets, including holdings in Close Brothers, Rathbone Brothers and Polar Capital; Leisure and Media: comprising 16% of the net assets, including holdings in Kerzner International and The Sloane Club; Managed General Funds: comprising 24% of the net assets

including holdings in British Empire Securities and Cobepa; Industrial and Services: comprising 10% of the net assets, including investments in Offshore Logistics and Melrose Resources; Property: comprising 12% of the net assets, including a holding in Quintain Estates; net current assets 11%; and Other: comprising 2% of the net assets. The percentages of the net assets quoted are as at 30 April 2006.

Further information on Caledonia can be found at [www.caledonia.com](http://www.caledonia.com).

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For further information, please contact:

*Provide two contacts, one being the marketing manager for that country and the second being from the Pr agency. This to be the case for both local language and English synopsis versions*

#### **About Celerant Consulting**

Celerant Consulting (Celerant) is a leading global management consultancy specialising in delivering operational transformation across a broad range of industry sectors.

Celerant helps leading companies worldwide achieve and sustain real gains in bottom-line performance. The essence of its approach is Closework®.

In 2006, Celerant delivered over \$1 billion in annualised sustainable savings to its clients. Over the last 20 years, Celerant has become the largest independent firm of business operations consultants with revenues of \$145 million in 2006.

For further information please visit the website, [www.celerantconsulting.com](http://www.celerantconsulting.com).