

EHS DUE DILIGENCE

- WSP ENVIRONMENTAL



Identifying environmental, health and safety liabilities and value enhancement opportunities represents a critical component of the due diligence process for any significant real estate or corporate transaction. WSP Environmental (WSP) acts for leading investors, corporate organisations, financial institutions and professional advisors to deliver commercially focussed due diligence consultancy and reporting that aids decision making and protects asset value.

ENVIRONMENTAL, HEALTH AND SAFETY DUE DILIGENCE

WSP Environmental provides a comprehensive suite of due diligence support including:

- Corporate Transactions
- Environmental Liability Solutions
- Real Estate Transactions
- Post Acquisition Services

Our full service approach allows our clients to focus on the headline negotiations whilst having full confidence in the information provided to support the transaction.

With a global team of experienced due diligence practitioners, we combine our world class expertise with local knowledge across our network of 65 offices world wide. This enables us to deliver our services through one point of contact located in the same jurisdiction and time-zone as our clients.

SELECTED DUE DILIGENCE CLIENTS

Our extensive experience and renowned expertise enables us to provide a consistent quality of advice and regularly support many international private equity funds and lending organisations including:

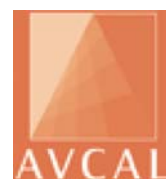
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|---------------------------|-----------------------------------|---------------------|
| ■ The Carlye Group | ■ Tincum Capital Partners | ■ Deutsche Bank |
| ■ The Blackstone Group | ■ Stamford Partners | ■ Bank of Scotland |
| ■ Permira | ■ Lehman Partners | ■ RBS |
| ■ Apex Partners | ■ Goldman Sachs | ■ Westpac |
| ■ Bain Capital | ■ Barclays Capital | ■ BHP Billiton |
| ■ CVC Capital Partners | ■ AIG Lincoln | ■ GE |
| ■ 3i | ■ Linklaters | ■ Acordis |
| ■ Clayton Dubilier & Rice | ■ Slaughter & May | ■ SGS Group |
| ■ CCMP Capital | ■ Jones Day | ■ Emerson |
| ■ RMB Capital | ■ Davis Polk & Wardwell | ■ Sims Metals |
| ■ Europa Capital Partners | ■ Ashurst | ■ Electrolux |
| ■ Duke Street Capital | ■ Freshfields Bruckhaus Derringer | ■ Tyco Electronics |
| ■ Champ Ventures | ■ Pricewaterhouse Coopers | ■ Travelodge Hotels |
| ■ Close Brothers | ■ Ernst & Young | ■ Whitbread Plc |
| ■ GS Private Equity | ■ Grant Thornton | ■ SCA Packaging |
| ■ PNC Equity Management | ■ KPMG | ■ Hays Plc |
| ■ Bridgepoint Capital | ■ Macquarie Bank | ■ Federal Mogul |
| ■ Industri Kapital | | |

INTRODUCING WSP ENVIRONMENTAL

WSP Environmental is part of WSP Group Plc, an international management consultancy firm with 10,000 staff globally. We provide innovative and commercial solutions to environment related business issues for some of the world's leading businesses, including many Fortune 500 companies. We have over 1,100 staff across 65 offices around the world and have a reputation for the delivery of technically excellent, commercial and pragmatic advice, and for offering flexible and rapid service delivery for our clients.

WSP ENVIRONMENTAL - AUSTRALIA

- Highly experienced EHS DD team
- Strong technical backing
- Offices in Sydney, Melbourne, Brisbane and Perth
- 90+ staff
- Access to WSP's global network



Environmental Advisor of the Year - WSP Environmental



OUR DUE DILIGENCE SERVICES

In terms of capital outlay, management time and reputational issues, the potential impact of EHS liabilities can be significant. Vendors, acquirers or lenders should consider such issues as part of an organisation's acquisition, ownership and exit strategies.

We can evaluate all significant areas of EHS liability. These range from the traditional concerns of contaminated land and asbestos, through to current and forthcoming environmental, health and safety legislative compliance. Liabilities could arise from emerging areas of carbon trading and energy efficiency, supply-chain risks, and corporate social responsibility issues.

We are able to deliver globally and can draw on expertise from across the wider WSP Group to offer a truly integrated technical due diligence service to our clients. We are also the first global consultancy to incorporate energy liability assessments into the due diligence process.

Our advice is always commercially focussed, clearly communicated and backed with appropriate levels of professional indemnity cover.



CORPORATE TRANSACTIONS

EHS risks will vary from business to business. They may relate to individual sites and processes, or an organisation's history, products and services, or be dependent on the nature and geographic spread of their operations. All can have financial impacts, be this capital expenditure, income reduction or reputational risk.

We have extensive expertise in single site, multi site and multi-jurisdictional transactions, with the technical expertise to assess all areas of EHS risk. Our global spread of offices ensures that we have the local understanding of regulatory regimes and market conditions to evaluate their material significance.

We provide the maximum levels of information within the constraints of time, confidentiality, and the context of the deal, to help complete the transaction and not just the due diligence. Our commitment to clients is to clearly communicate liabilities, and the associated corrective actions, in a format that aids decision making.

Our services include:

- Dataroom evaluation
- Desk study evaluations
- Environmental, health & safety site assessments
- Shadowing of acquisition assessments
- Intrusive soil & groundwater investigations
- Asbestos & hazardous material
- Energy consultancy
- Integrated building surveys
- Corporate social responsibility assessment
- Reputational assessment
- Negotiation support
- Development of risk management strategies

"You responded brilliantly to our needs from the first moment we called you until the finalization of our sale. I have rarely had such a painless and yet totally satisfactory experience with a supplier."

Director of M&A, Whitbread Plc

KEY LOCATIONS:

Australia

Melbourne
Sydney
Brisbane
Perth

America

San Francisco
New York
Washington
New Jersey
Pittsburgh
Denver
Minneapolis

Europe

London
Frankfurt
Paris
Stockholm
Milan
Warsaw
Burcharest
Edinburgh
Helsinki
Tallinn

Asia

Beijing
Shanghai
Hong Kong
Delhi

Africa

Johannesburg
Durban
Cape Town

Middle East

Dubai
Riyadh

ENVIRONMENTAL LIABILITY SOLUTIONS

WSP design environmental liability solutions for clients - an innovative approach to mitigating liabilities associated with contaminated sites to protect clients against the risk of escalating remediation costs and incurring liability.

The financial burden on stakeholders involved with such sites, especially those who are seeking to sell or develop them, is significant. WSP's Environmental Liability Solutions help clients to remove these financial uncertainties, and in particularly traditionally risk averse institutions and organisations can consider a broader range of brownfield sites.

Our core services include;

- Strategic consultancy
- Insurance
- Remediation Plus
- Active Transfer

POST ACQUISITION SERVICES

Managing liabilities supports integration, reduces risks and enhances value at the point of divestiture, whether completing a strategic acquisition to enhance an existing business, or an acquisition for a defined investment period.

We have the breadth of expertise to manage such issues and have specialists in areas including:

- Investigating & remediating contaminated land
- Providing liability assumption & risk transfer tools
- Asbestos & hazardous materials management
- Environmental, health & safety legislative compliance
- Energy & carbon risk management
- Implementing management systems
- Corporate social responsibility
- Building management
- Pre-exit advice on managing liabilities

“Travelodge found WSP to be highly professional, very client focused, and easily contactable throughout the process. We would have no hesitation in recommending WSP for similar work in the future.”

Director of International Operations, Travelodge Hotels

“Because we invest our own money, we need to be right. In our experience, WSP Environmental has the best people in the industry, which enables them to get the best answer, quickly and efficiently. While many firms offer what appears to be a comparable service, WSP's product is distinguished by both consistently solid judgement and the creativity of its professional staff.”

Partner, Tincum Capital Partners



OUR STRATEGIC CORPORATE SERVICES

Achieving positive brand and market value from a corporate responsibility and environmental management strategy are important issues for any business. At WSP we have an established track record helping clients manage and improve their environmental, health and safety, social and ethical performance.

With a range of regulations to adhere to, a company's performance in this area will be analysed by investors, employees, customers and suppliers. WSP is an industry leader, delivering sustainable and strategic environmental management and corporate responsibility services that enable our clients to respond positively and gain competitive benefit from these issues.

Setting Direction, Strategy & Leadership

We work with clients to develop proactive strategies that exploit the market opportunities provided by a sustainable society. We also help them address increasing obligations in corporate governance, social responsibility, environmental and ethical activities.

Carbon Consultancy

From energy efficiency consultancy, to carbon trading and off-setting, we have unrivalled knowledge and the ability to assist.

Clear & Practical Compliance

We help our clients understand the ever increasing levels of legislation that apply to their operations in different markets across the world. We explain the effects and help to identify market opportunities for our clients as they begin to comply with new legislation. We have an established track record working with operators, regulators and industry bodies to design and implement compliance programs. Our proactive identification of the risks posed by EU Directives on raw materials and waste, such as WEEE and REACH, is allowing our clients to take sector leading positions.

Staff & Team Development

Some degree of cultural change is usually required for an organisation to deliver sustainable improvement in corporate responsibility, environmental management and health and safety. WSP deliver cost effective integrated learning packages that shape behavioural change, staff development and understanding. Our training can be delivered face-to-face or via e-learning media.

Developing & Supporting Management Systems

Our approach to management systems is to ensure they deliver real action at a grass roots level in a business, resulting in understanding and change, and enhancing shareholder value. Our support for clients covers Health, Safety, Environmental, Social and Ethical systems.



“WSP provided us with practical, pragmatic and timely advice in a complex transaction, allowing us to focus on completing the deal, avoiding the often academic approach of many other environmental consultants.”
Director, Albion Chemicals

“WSP delivered their report within the tight timescales set and provided a clear, concise analysis of environmental issues across a number of locations in the UK. They also made practical recommendations on issues which they unearthed. We would have no hesitation in using WSP again.”
Barclays Capital

“It's clear to me that WSP is ahead of the game in its sector”
Partner, International Law Firm

OUR KEY PERSONNEL



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PROJECT EXPERIENCE

WSP Environmental consistently work on high profile, diverse and complex transactions for many internationally recognised clients. Some examples include:

OUR EXPERIENCE IN AUSTRALIA:

Due diligence of rural petrol distribution and retail businesses

WSP was commissioned to provide environmental due diligence services in relation to the proposed acquisition of rural petrol distribution and retail businesses. As part of the second stage of the project, WSP undertook liability-focussed contamination investigations for 32 sites along a 15,000km route within a 6 week period.

Due diligence of 33 Coates Hire sites around Australia

The Carlye Group commissioned WSP to undertake environmental due diligence audits of 33 Coates Hire sites around Australia within a 3 week timeframe. Coates Hire is the first investment made in Australia by The Carlye Group, and WSP has been proactive in supporting the clients changing needs as market conditions impacted on the proposed deal.

Environmental, Health & Safety Due Diligence assessment of a coal laboratory business

WSP was engaged by the SGS Group to undertake an environmental, health & safety due diligence assessment of a coal laboratory business with multiple sites across Australia. The work was completed within 2 weeks of instruction to meet the transaction timescales, and WSP's innovative approach to pricing and sharing risk minimised the cost of the exercise to SGS when the firm was unsuccessful in its bid.

Due diligence for Amdel Laboratories

WSP undertook environmental due diligence exercises for a number of acquisitions made by Amdel Laboratories, a business owned by Champ Ventures, and then completed a vendor due diligence exercise of Amdel prior to the sale of the business to Bureau Veritas.

Environmental and Occupational Health and Safety Due Diligence Assessments of ATMR

WSP conducted environmental and occupational health and safety due diligence assessments of ATMR, on behalf of RMB Capital's Heavy Maintenance Group. Responsibility for potentially significant contaminated land issues was retained by the vendor, with WSP independently commissioned to advise on these issues.

Due diligence of 5 metal recycling sites

WSP was engaged by Sims Metals to undertake an environmental due diligence exercise of its 5 main metal recycling sites in Australia as part of the global corporate refinancing of the Sims Metal business.

OUR INTERNATIONAL EXPERIENCE:

\$1.3bn transaction of medical device manufacturers by Blackstone Group

The Blackstone Group completed the acquisition of DJO Inc. for \$1.3bn following a thorough due diligence review of manufacturing sites across the US, Mexico and Tunisia for this producer of medical devices. WSP also evaluated the liabilities associated with formerly operated sites in New Jersey under the NJ Industrial Site Recovery Act.

'CHAMP Ventures used WSP to assist with environmental assessments for two acquisitions of Amdel Limited, a CHAMP Ventures portfolio company, and a comprehensive vendor due diligence exercise prior to CHAMP Ventures' sale of Amdel to Bureau Veritas in May 2008. WSP's scope spanned site assessments, Stage II testing and advising Amdel on longer term management of environmental issues. In each case WSP provided a high quality report and personal attention from senior consultants and, importantly, offered balanced, practical advice within tight timeframes.'

*Jonathan Kelly, Associate Director
CHAMP Ventures Pty Ltd*

