

A monthly roundup of fund-raising and M&A deals **BY JIMMY DOYLE**

## BES Investors Back Lemonstreet

**F**INANCIER AND SOLICITOR MICHAEL O'Reilly and John P Bourke, the former chairman of Irish Permanent, are among the principals in a BES-backed company which is attached to the Lemonstreet Gallery, the specialist in graphic art just off Dublin's Grafton Street. The new company, Lemonstreet Press, has received €350,000 to publish limited editions of fine art prints which will be sold primarily through the gallery. Brian McEnery of BDO Simpson Xavier organised the BES investors and legal advice was taken from McCann FitzGerald.



market. It also owns Portlaoise-based waste management company Atlas. DCC Energy's Kevin Murray says the acquisition will broaden the range of services it offers to existing customers in the pharmaceutical, food, chemical and municipal sectors. A team from PwC and William Fry solicitors advised DCC and Tom Doherty of Deloitte & Touche advised SES, helped by Billy O'Dowd and Tom McEvoy of Harrison O'Dowd, solicitors in Limerick.

## Lynch Pays €11m For Green Isle

The Lynch Hotel Group has purchased the newly-refurbished 90-bedroom Green Isle Hotel for €11m from Jury's Doyle.

Managing director, Michael Lynch (pictured), said that his group had long sought a high profile hotel property in the Dublin area and he would continue to look at properties which could fit well into "our group in the Dublin area and

elsewhere". Lynch Hotels was founded by Michael Lynch Senior and his wife Christina in 1968, with the West County Hotel in Ennis, which started out with 40 rooms and now has 152.

The Lynch Hotel Group now boasts 13 hotels (including five associate hotels),



with 1,200 rooms nationwide. Lynch took its legal advice from Sweeney McGann, solicitors of Limerick.

## PwC Solution For 3Q's Young

3Q Solutions, the Dublin-based developer of wealth planning solutions for financial services companies, has raised equity funding from private investors €200,000 and is expecting to raise a further €200,000 that will be matched by funds from Enterprise Ireland. According to chief executive Ray Young, the funding has valued the company at €3.3m. 3Q's wealth planning software has already been well received by some of the largest banks in Europe, and the funding will be used to consolidate existing customer relationships.

"These funds will enable us to build on our existing product suite, and to expand further into the European market," said chief operating officer, Brian Hanly (pictured). "Our products improve the incidence of cross-selling and increase the bank's share of wallet over the customer's lifetime," he added. Mark Lynch of PwC acted as advisor to 3Q during the fund-raising search process, while JP Galligan of solicitors Lavelle Coleman assisted with the legals.



## Eblana Attracts TLCom Cash

Eblana Photonics, which provides advanced laser products for broadband access communications, has secured a €4.5m in fresh VC investment. Led by TLCom Capital Partners, the London-based VC firm, the round brings the total funds raised to almost €8m. Existing

In last month's issue we mistakenly said that chairman of Trinity Venture Capital, Shane Reihill, had departed from the company he founded. In fact, Reihill has resigned as joint ceo of his family company Tedcastle, and not Trinity.

## DCC Buys SES For €6.5m

Publicly-quoted DCC has made another acquisition in the environmental services business through the acquisition of Shannon Environmental Services (SES), which is involved in waste chemical treatment. DCC is paying €6.5m in cash for SES, which generated operating profits of around €900,000 last year and had net assets of approximately €2.5m.

Until September 2001, DCC Environmental was mainly involved in the oil treatment sector in Ireland but it then acquired Envirotech and entered the rapidly-growing water treatment sector. DCC Environmental is now developing Envirotech's presence in the British

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investors, ACT Venture Capital and Enterprise Ireland, also participated. Eblana had previously raised a total of €3.2m in its first round. Eblana chief executive James O’Gorman said this is TlCom’s first investment in Ireland. The company runs a fund worth €185m and has a strategic co-investment agreement with the private equity arm of Morgan Stanley.

Colin Watts of TlCom said: “We see the technology and products being developed by Eblana as key enablers to the emerging optical broadband markets.” Eblana was advised by Robert O’Shea and Tim Scanlon of MOPs and a PwC team headed by Ronan Murphy.

## Five Million Gets Jetmagic Flying

Jetmagic has raised €5m to run flights from Cork to the UK and continental Europe, commencing in April. Jetmagic is backed by a number of Cork-based investors, and has an option of further fundraising in the future, according to chief executive Patrick Raftery. “We are a

## Budge Swoops For Belfast’s Celare

**N**EWELL & BUDGE, A UK IT services and solutions consultancy, has acquired information security specialist, Celare, for an undisclosed sum. Celare, which is based in Belfast, has also established a presence in the Republic and Scotland and now employs 14 staff. It will now become the specialist information security subsidiary of the Newell & Budge Group. Celare will continue to trade under its current name and its management team led by Conrad Simpson will remain in place. Chief executive Ann Budge said that the purchase of Celare was the first step on her acquisition trail. Belfast solicitors



Conrad Simpson of Celare with Ann Budge

C & H Jackson acted for Celare with corporate work done by McClure Whatters and BDO Simpson Xavier.

no fuss airline. We will offer an innovative, dynamic and excellent service,” he said. “Some of the different offerings of the airline include a WAP/on line check in 20 minutes before departure and a SMS messaging service in the event

of delays.” Jetmagic got its advice from John Higgins of Ernst & Young and Kieran and Colm McGuire of McGuire Desmond gave the legal advice, with further legal counsel coming from Matheson Ormsby Prentice.

## ACT Raises €170m For VC Fund

**A**CT VENTURE CAPITAL HAS raised €170m for its third venture capital fund, which is mainly targeted at investments in technology-based companies in Ireland. This is the largest technology-focused VC fund raised in Europe during 2002.

ACT’s strategy for the fund is to invest primarily in indigenous Irish companies with strong technologies aimed at international markets and at various stages of development. The fund may also make a number of investments in the non-technology sector. The amount invested per company is expected to range from about €3m to €15m. Larger amounts can be provided in syndication with the fund’s investors.

ACT managing director Niall Carroll said: “Ireland is being increasingly recognised as one of Europe’s most successful high technology cluster

locations and we are naturally pleased to have had our performance and investment strategy endorsed by leading domestic and international investment institutions.”

Investors in the fund include Bank of Ireland Asset Management, KBC Asset Management, AIB Group Irish Pension Scheme, Eircom Superannuation Fund, ESB Pension Fund, Hibernian Investment Managers, Friends First and the GMS Superannuation Fund. International investors include JP Morgan Fleming and Merrill Lynch from the US, Partners Group from Switzerland, Access Capital Partners from France, Extorel and VCM from Germany, and the European Investment Fund from Luxembourg.

This is ACT’s third and largest venture capital fund and brings total funds under management to €350m. “Ireland needs more international successes in the technology sector and we are particularly

pleased to have attracted the support of prestigious overseas investors, who are expected to contribute significantly to our strategy for the international development of companies backed by the Fund,” added Carroll.

ACT investments include Cape Clear, Massana, Am-beo, BCO Technologies (a Belfast firm, now sold after being publicly floated), MDS Gateways, Oumas, CR2, Corvil Networks, Intense Photonics (Glasgow) and Alphamosaic (Cambridge). Outside of the tech sector ACT investments include Lifestyle Sports, TV3 (now sold), Fitzpatrick Hotels (sold), Connacht Court Group (sold), Imari (sold), Irish Car Rentals, Belfast International Airport (sold) and Clashfern.

Last year ACT says it invested €25m, both in new companies and as follow-on investments in existing portfolio companies.

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