



**Press Release**

**24 September 2007**



***For immediate release***

**Towergate acquires Open International Limited, the UK's leading broker software house for £276m from Montagu Private Equity**

Europe's largest independently owned insurance intermediary, Towergate, announces the largest ever deal in its 10 year history with the acquisition of Open International Limited, the UK & Ireland's leading supplier of IT solutions to insurance brokers.

The £276m deal covers all Open International Group companies, including Open GI, the Countrywide Network, and London Market technology provider, MI Ltd. The business will be run as a separate entity under the Towergate Partnership umbrella and all of Open International's 300 plus staff will remain under the leadership of CEO, Phillip Bell, and his management team who will maintain their owner driver status by retaining an equity holding in the business going forward.

With 27,000 users of the system across 2,000 commercial and personal lines brokers, Open GI has around 40% of the UK broker market and has strong partnerships with all major insurers. The company has a 28-year history and was purchased from Misys plc in March 2006 by the management team and Montagu Private Equity.

Open GI is the largest supplier of broking and underwriting systems to Towergate who have over 1,000 users, and the transaction will serve to secure and enhance their IT platform and future systems development. Towergate has long been committed to reducing transactional friction between broker and underwriter, such as the double handling of data and processes, and a key aim is to provide investment in systems to further improve efficiency for Open GI broker customers.

Towergate's Chairman, Peter Cullum, said: "This is a great deal all round, and it seems fitting that this comes at a time when we are celebrating Towergate's tenth anniversary. Open International has great potential and helps future-proof our largest strategic IT platform. They have an extremely strong market position and reputation, and are run by a highly accomplished management team.



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“The key to Towergate’s strategy and success has always been distribution, and Open International are leaders in the UK at helping brokers access an exceptionally wide range of products.”

Phillip Bell, Chief Executive of Open International added, “We are delighted to have signed this agreement with Towergate. The opportunity to agree a deal with the UK’s largest and most influential intermediary made sound business sense as it benefits all of our stakeholders. Open International has worked closely with Towergate for many years and we share a commitment to the broker market, product distribution and more importantly, an understanding of the wider market.

“We look forward to drawing on our combined experience and shared values to continue to expand our presence and further develop our product offering. We are confident that the transaction will have a positive impact on all of our customers and staff.”

Jason Gatenby, Director of Montagu Private Equity said: “We are proud of our association with Open. Under our ownership the company has launched a fully updated product suite and made a strategically important acquisition. We believe Towergate is the right long term home for the business and we wish everyone at Open the best for the future.”

Open International will continue to operate under their existing identity and focus on further developing the current Open GI and MI platforms and developing new electronic trading solutions for commercial and personal lines products. They will also continue to expand the Countrywide offering of enhanced products and services to brokers.

Notwithstanding an exceptionally difficult debt market, Bank of Scotland, as Towergate’s lead bank, successfully provided the debt funding for the transaction through a standalone vehicle. Having completed the acquisition of Open International, Towergate have a remaining acquisition fund exceeding £200m and Peter Cullum expects to announce 4 or 5 significant acquisitions before the year end which will further strengthen Towergate’s position in the SME market space.

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