



## News: Lyceum Acquires Clearswift and Exceeds Â£100m IT Investment Milestone

LYCEUM

ACQUIRES CLEARSWIFT AND EXCEEDS 100m IT INVESTMENT MILESTONE

Global digital

security software company, Clearswift, has been acquired by mid-market growth investor Lyceum Capital, in a deal that will see increased focus on Clearswifts content-aware security products.

Clearswift

provides market-leading security software products to companies that view the security of their IP and communications as a strategic priority. Clearswifts integrated products manage inbound threats, data loss prevention, web access policies and compliance across both web and email communications. Headquartered in Theale, near Reading, with satellite operations in Germany, Spain, Japan, the US, Australia and Holland, the business employs around 170 people with almost two thirds based in the UK.

The

company boasts a diverse and international range of approximately 17,000 customers in around 50 countries and has a strong footprint in the defence, law and order and government sectors. Customers include BAE Systems, Hitachi Solutions, An Post, Warwick District Council, T-Mobile and Australia Post. Sales are predominantly made through Clearswifts worldwide network of channel partners.

Clearswift

operates in the 2.6 billion e-mail and web gateway subsector of the larger security software market, which is expected to achieve a CAGR of 6.8 per cent from 2010 to 2015 according to Ovum, which provides research and support in telecoms, software and IT services.

Led by Clearswifts

Chief Executive Officer, Richard Turner, who has driven the profitable growth of the firms range of products over the past two years, the deal will see Lyceum take a significant majority stake, with Lyceum Partners Jeremy Hand and David Harland joining the companys board. The acquisition from a group of investors including Amadeus Capital Partners, DFJ Esprit and Kennet, takes Lyceums total deal value in the IT industry to over 100 million so far this year.

Martin Leuw also

joins the board, as Chairman, to guide the business though its next phase of organic and acquisitive growth. Leuw is a highly-experienced software entrepreneur and is the former CEO of IRIS Software, which, under his leadership grew from an enterprise value of 30 million to over 500 million in 10 years, transforming it into one of the UK's largest privately-owned technology companies.

Jeremy Hand,

Co-founder of Lyceum Capital, who joins the board of Clearswift, comments: In Clearswift, we are backing an exciting company which deploys world-class technical expertise and software solutions across an exceptionally impressive and loyal customer base. With an already strong management team bolstered by the arrival of Martin and our strategic, operational and financial input, were expecting Clearswift to continue with its strong organic growth supplemented with targeted acquisitions.

Richard Turner, CEO,

Clearswift added: Threats and risks are increasingly becoming specific to individual customers and need a tailored, more flexible approach. The one size fits all anti-spam and anti-virus technologies many companies rely on is out-dated. With its heritage in both content inspection and flexible compliance policies backed up by excellent service, Clearswift is well positioned to meet customer needs in a world where social media and web technologies are rapidly transforming the way we all do business. We are delighted to have the backing of Lyceum Capital to support the next phase of our ambitious growth plans.

This latest deal will enable Clearswift to broaden its security software range and acquire further technical capability, increase its presence in key vertical sectors, and build scale and geographical reach. Lyceum and managements growth strategy will also focus on capitalising on the opportunities arising from

recent high profile cyber-security breaches, the increase in regulatory compliance and the recent introduction of significant fines in countries such as the UK for breaches of data protection legislation.

Commenting on the deal, new Chairman Martin Leuw said: Clearswift is a subscription revenue business, operating in a high-growth global market, delivering mission-critical regulatory and compliance products. Clearswifts content-aware, policy-based solutions are a key point of differentiation which enables over 17,000 organisations to manage and maintain no-compromise data, e-mail and web security across all gateways and in all directions. This is coupled with specialist IP valued by a number of sectors including government and defence sectors, but becoming increasingly vital to all organisations. With the backing of Lyceum Capital, who have an impressive track record of growing businesses, we will be well equipped to execute an accelerated growth strategy.

This transaction follows Lyceum's recent investments in the technology sector including its 30 million acquisition of leading managed IT services provider Adapt in September, and 50 million investment in Access, a SaaS (software as a service) based accounting and ERP (enterprise resource planning) software and services business, which completed in March.

ENDS

About

Lyceum Capital:

[www.lyceumcapital.co.uk](http://www.lyceumcapital.co.uk)

Lyceum Capital is an independent investment firm that invests in innovative and growing mid-sized UK-headquartered businesses; having acquired over 80 businesses in the UK and internationally over the last ten years. Lyceum plans to invest a further 300 million in the UK over the next two to three years.

Lyceum Capital makes highly targeted investments in mid-sized businesses with the potential to become larger participants in fragmented and growing sectors; and has a strong track record across a number of industries.

Lyceum Capital works alongside management teams to increase scale by driving growth through investing in infrastructure and improved operations as well as sourcing and funding complementary acquisitions in the UK and internationally. Through a combination of investment, operational and strategic input Lyceum Capital helps management build robust and successful businesses with good long-term growth prospects.