

MEDIA RELEASE

Change in ownership and direction of Greythorn

19 September 2006, Sydney

The Greythorn group of companies was bought in a buy-in management buy-out, led by Graham Palfery-Smith, ex-CEO of HW Group plc. Greythorn, which operates in three continents, North America, Europe and Australia, specialises predominately in IT recruitment services.

The private equity backers are Englefield Capital, which has in excess of AUS \$1Billion in managed assets, in fast growing middle market businesses. Commenting on the acquisition, Adam Barron, Principal Investor, Englefield, feels Greythorn “has enormous brand equity in the IT recruitment space in the core markets of North America, Europe and Australia “and is a “good strategic fit” for Englefield’s foray into the growing global human capital services market.

Graham Palfery-Smith to be the new Global CEO

Peter Mackley, who founded Greythorn in 1976 in London, will step down from his current role of global Chairman to “pursue other interests” outside the recruitment industry.

Graham Palfery-Smith, a recruitment industry veteran of 25 years, will head the new Greythorn entity as global CEO. Whilst pleased with Greythorn's current market standing in Europe, North America and Australia he is particularly excited about the future prospects of the group. He further commented, “the combination of existing talent, solid financial backing and a growing global offering makes Greythorn a very attractive and rewarding proposition. We are ambitious to build a truly great business”.

Greythorn primed for further expansion

According to Graham, a major strategic shift for Greythorn will be its “aggressive growth strategy”. Whilst in the past Greythorn grew organically, future growth will be pursued though a mixture of acquisitions, investment in new services and entry into new markets. The company is hiring in all countries and expects to open a San Francisco office shortly. The company is also in discussions with a small number of high quality recruitment businesses with a view to expanding the group’s presence in certain key vertical markets and geographical territories.

Diversification outside Greythorn’s core IT recruitment business is not off the radar either and according to Graham “we will consider all options on merit” and in “the framework of growth”. The immediate focus, however, will centre on “leveraging expertise among the different global offices and development of new internal capabilities”. Graham will initially be based out of the Greythorn London office.

Little Change to Greythorn's Australian Operations

According to Chris Digby, CEO Australia, "there will be little immediate change to the Australian operations other than aligning the local business to fit the strategic framework of growth" pursued on a global scale. Chris believes "there will be more cross border interaction and co-operation" and attempts will be made to "leverage resources like technology, marketing and shared services" across all global offices.

In Australia, all current staff will be retained and there will be no disruption in service delivery to clients and candidates. Over approximately the last two financial years, Greythorn's Australian operation has doubled its revenue and is poised for further growth.

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About Greythorn

Greythorn was founded in London, in 1976, at the dawn of the IT revolution. Our aim is simply to "provide a better service" to clients needing to engage technology staff. Today, 30 years on, Greythorn operates in North America, Australia and Europe. Greythorn has grown to become one of the pre-eminent IT recruitment companies in Australia and is a three times winner of the SARA Award for 'Favourite Large IT Recruiter' in Australia. More information available on www.greythorn.com