

Environmental Resources Management (ERM)



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 Directors & key contacts: John Alexander (Global CEO), Keryn James (UK/Ireland Managing Director), Robin Bidwell (ERM Foundation)
 Ownership: Private (partnership model with 55% private equity stake held by Charterhouse Capital)
 Locations: Global - c130 offices in 40 countries
 Founded: 1971 (as ERL, London)

UK VITAL STATISTICS*

2008 2009 2010

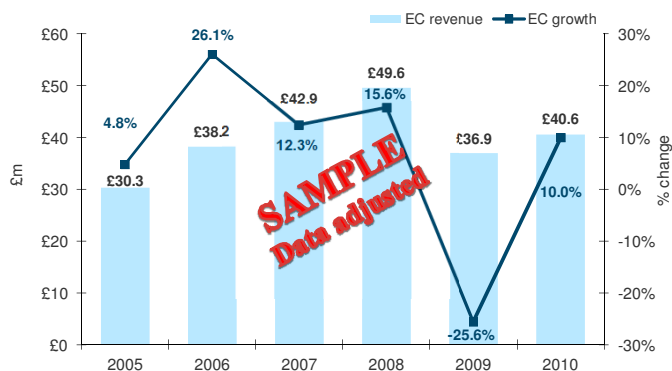
Turnover, group
 Turnover, environmental services (inc. consulting)
 Turnover, environmental consulting (as defined by EA)
 Turnover 5-yr growth, environmental consulting
 Operating profit, group (UK only)
 No of offices (environmental consulting)
 Staff, group (average for year, FTEs)
 Staff, environmental consulting
 Turnover per head, environmental consulting
 No of contracts, environmental consulting
 Average contract value, environmental consulting

**SAMPLE
Data removed**

GLOBAL VITAL STATISTICS*

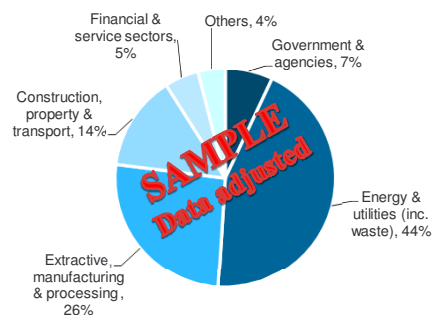
Turnover, group (gross)
 Turnover, environmental services (inc. consulting)
 Staff, group
 Staff, environmental services (inc. consulting)

UK ENVIRONMENTAL CONSULTANCY REVENUES



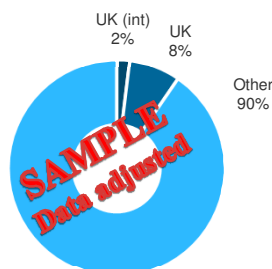
CLIENT OVERVIEW

% of UK EC sales (2010)

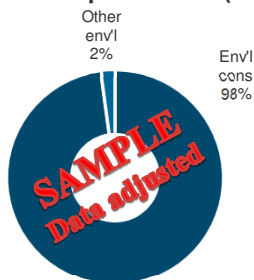


KEY 2010 REVENUE RATIOS

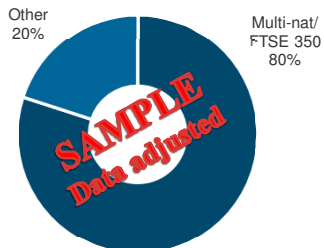
Geographic (group EC revenues)



Group revenues (UK)



% of UK EC sales



REGIONAL ANALYSIS

No. of EC offices (2010)

RECENT EC CLIENTS

BG Group, Chevron, E.ON, ENI Agip, General Electric, Proctor & Gamble, Rio Tinto, Shell, Tesco



SERVICES

ERM is focused on the provision of environmental, sustainability and risk management consulting services. Internally, services are organised around seven core practices - air quality & noise, sustainability & climate change, impact assessment & planning, performance & assurance, transaction services, contaminated site management and risk management. Niche environmental services outside of EA's core EC definition include certification & verification (CVS) and environment, health & safety (EHS) information solutions.

UK SERVICE AREA TURNOVER (£m)

2005 2006 2007 2008 2009 2010

- Air quality
- Climate change & energy
- Contaminated land/remediation
- Ecological/landscape services
- EIA & sustainable development
- Environmental liabilities, risks & hazards
- Environmental management & compliance
- Environmental noise/vibration
- Environmental/sustainability policy & strategy
- Waste management/recycling
- Water quality & resource management
- Other environmental consultancy services
- Total environmental consulting**
- Other environmental services
- Total environmental services, inc. consulting**

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CORPORATE DEVELOPMENTS/M&A

- 1987 ERL (London, UK) merges with ERM (Philadelphia, USA)
- 1994 Acquires Mitchell McCotter consultancy (Australia)
- 1996 Acquires Dell Engineering (USA), Panzardi (Puerto Rico)
- 1999 ERM Inc and ERM International become global operation
- 2000 Acquires transport risk consultancy in UK and Hong Kong
- 2001 MBO of retiring partners supported by private equity firm 3i in deal valuing group at £200m (3i takes 53% stake)

2002	Acquires Enverdant, creating ERM Information Solutions	
2003	Acquires Ecob	
2004-5	Expands in Ca	
2005	Bridgepoint re c12x EBITDA)	5m (£348m:
2006-8	Offices open i to strengthen multinational b	orm' (Minerva) on a
2009	Alliance with I	
2009	c8% global he scheme (base	ay deferral turn
2009	Resignation of	
2009	Partners US-b	ons
2010	Undertakes m on Master Ser particularly in new role of ac support of nev	clude to focus grammes - ervices. Plus strategic M&A in
2010	Acquires IRC specialist in oi	agement
2010	Appoints new	
2010	Financial resu in operating p return to doub freezes/cuts la	nd a 5.4% drop ver, ERM reports ing pay r with staff and major planning contaminated
2011	Announces str projects in No sediments)	
2011	Bridgepoint ex Charterhouse remaining 45%	y firm value). The m
2011	Headline figur and significant increase in operating profit [EBITDA] to £41m, indicating a return to growth post-recession	c£424 million

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ENVIRONMENT ANALYST SWOT

- S • Respected, long-established brand association with environmental risk management; one of the truly global specialist environmental consulting players (strong reputation in mining & natural resources sector)
- S • Significant c
- W • Two main m
(c90%) - bu
- W • Lacks consu
win large m
- O • Further glob
emerging m
- O • More bolt-on
impact sect
- T • Reputationa
- T • Financial targets imposed by new PE investor?

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COMMENTARY

One of the sector's founding members, ERM has been active in environmental consultancy for over 35 years and is probably the best known name in the market, focusing on multinational corporations and Fortune 500 firms. The focus for recent years has been to enhance specific capabilities. ERM has expanded its operations into new markets, such as the US, and has recently won high-profile work managing the rail link.

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Notes: *Global 2010 figures based on 12 months to 31 March 2011; global group figures reported by ERM in US\$ and converted by Environment Analyst based on constant exchange rate as of 1 April 2011 (US\$1:£0.6227)