

Carillion: Summary, History, Meetings, Announcements & Correspondence



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*	SUMMARY
(see below)	
11/1/17	www.thinkbigpartnership.com (TBP) launches Power Point Presentation summarizing 300-page report on predicted UK Construction Consolidation 2017-2022
26/1/17	CN publishes article by Author “Top firms must merge to break industry vicious cycle”
6/4/17	FT article published (after correspondent tip-off by Author) stating that Carillion had become most shorted stock on FTSE by Hedge Funds
10/7/17	Carillion published half year results and disclosed expected losses and provisions uncovered by KPMG
13/7/17	CN publishes article by Author “Carillion woes prove urgent need for industry M&A”
28/7/17	www.thinkbigpartnership.com (TBP) posts on website solicitation for investor interest in Carillion
29/9/17	www.thinkbigpartnership.com (TBP) posts on further up-date and focus on Carillion and investor solicitation
30/9/17	E Mail confirmation to TBP by Dubai intermediary that serious interest of large Middle East private conglomerate investor received- with view to a Take-over or Reverse Take-over of Carillion Plc
1/11/17	E Mail confirmation to TBP by UK London Boutique Investment Bank intermediary that serious interest of international private investor received- with a view to purchase of Carillion subsidiaries, especially Canadian business
27/11/17	TBP E Mail confirmation of potential interest from TBP investors sent to EY, requesting response from Carillion or Investment Advisers (Lazards)
27/12/17	TBP E Mail statement & attachment sent to selected UK Press with TBP views on Accounting Irregularities in sector and timing of Carillion’s late advice; and the 3/1/18 Financial Conduct Authority (FCA) announcement of probe into timing and content of Carillion stock exchange announcements
5/1/18	TBP disclosure on website of top 50 UK/EU and Middle East entities approached by TBP in 2016/17 for potential interest in investment in Carillion
9/1/18	E Mail confirmation to TBP by Dubai intermediary that serious interest of large Middle East private conglomerate investor had waned due to worsened financial position and pension fund deficit
14/1/18	TBP approach to EY, stating willingness to disclose identity of potential investors to allow urgent dialogue directly between parties
	HISTORY
1995	Author left Tarmac after 5 years as Strategy and Business Development Director (reporting to CEO Neville Simms) to join Wimpey in similar role (reporting to Chairman Dennis Brant Wimpey Construction)
1996	Author initiated and issued proposal to Wimpey Board for £325m Asset Swap of Wimpey Construction and Minerals Divisions for Tarmac Homes Assets. Following Board approval asset swap took place
1997-2007	Author undertook several overseas postings with Government and Private Sector companies in Singapore, Dubai, Peru, USA, Dominican Republic, Nigeria, Hong Kong and Abu Dhabi
2007-2013	Several approaches to Carillion new CEO John McDonough in UK and Roger Robinson COO and meeting with Staff Engstrom Chief Strategy Officer and subsequently Richard Howson CEO in Wolverhampton about pursuing overseas opportunities and/or interest in employment in strategy or business development role
2013-2014	Meeting in Wolverhampton and E Mail exchanges with CEO Richard Howson about M&A and overseas opportunities including potential acquisition of Pell Frischmann Group by Carillion and/or purchase by PF of TPS (Tarmac Professional Services) and other Engineering sectors. Follow-up discussions with Richard Howson, Shaun Carter and Peter Forsyth about opportunities M&A and overseas opportunities in Far East markets
June-Aug 2013	After further meetings with Shaun Carter, Strategy Director, Carillion, author received verbal offer of Job with Carillion as Regional Manager, Kuala Lumpur, Malaysia. Following final meeting with Shaun Carter and completion of the Senior Director Interview/Assessment Day in Wolverhampton “Accelerated Leadership Report” was issued confirming positive feed-back and suitability for role in Malaysia
Sep 2013	Author advised by Shaun Carter that following Board review, the proposal to enter Malaysian market had been rejected, and therefore the job offer was withdrawn
2014-2016	Author moved to Spain and established www.thinkbigpartnership.com in order to pursue M&A opportunities in construction sector, and international trade & investment (focused on Latin America)

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	MEETINGS, ANNOUNCEMENTS & CORRESPONDENCE
Sep-Oct 2016	Author returned UK & researched and wrote 300+ page report "UK Construction Consolidation Report (UKCCR)" including Appendices on Financial Reviews and Accounting Irregularities, and Focus on Carillion
18/10/16	Author approached Sir Neville Simms for comment on draft report and solicited "Foreword" to UKCCR
9/11/16	Advised Richard Howson about imminent release of UK Construction Consolidation Report (UKCCR)
1/2/16	Meeting in London with EY (Michael McCartney and Malcolm Bairstow) to discuss UKCCR and M&A in sector, and findings previously published in EY Report on Construction Consolidation http://www.ey.com/Publication/vwLUAssets/ey-uk-construction-consolidation-ahead/%24FILE/ey-uk-construction-consolidation-ahead.pdf
2/12/16	P&C Letters and pre-issue hard copies of UKCCR sent to chairmen of Carillion and Balfour Beatty proposing Merger of two groups.
10/1/17	UKCCR launched on website www.thinkbigpartnership.com and links sent widely to over 250 industry players, analysts, investors, Industry & Financial Press correspondents, and company CEOs by E Mails in Construction sector including Ray O'Rourke LOR, Adrian Ringrose Interserve, Peter Truscott Galliford, Martin Bouygues, Florentino Perez ACS, Peter Redfern Taylor Wimpey http://nebula.wsimg.com/d97f321b4f76026cc89a80bcdde12855?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1 http://nebula.wsimg.com/f6db7768c52b627225d2a8eed27f721e?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
11/1/17	UKCCR Formal Power Point Presentation Launch, copied to selected potential investors and merger partners, and published on website www.thinkbigpartnership.com promoting MERGER STRATEGIES https://nebula.wsimg.com/99646675307501f1dda7e5da33081a23?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
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13/1/16	Article published by Construction Index "Report calls for contractors to merge" (featuring Author's views) http://www.theconstructionindex.co.uk/news/view/report-calls-for-contractors-to-merge
17/1/17	Meeting in London with Gill Plimmer correspondent at FT to discuss M&A in sector and need for mergers and Carillion position in particular
18/1/17	Meeting in London with Guy Paisner of Naya Capital (Hedge Fund) to discuss M&A in sector and state of Carillion business and finances
18/1/17	Meeting in London with Shaun Carter and Paul Rees (new Strategy Director) to discuss UKCCR and Appendices IV and X and Hedge Fund strategies and state of Carillion accounts and need for M&A solution
18/1/17	E Mail and attached Letter to Richard Howson confirming above and soliciting consultancy role to seek and secure global investors for Carillion
26/1/17	Experts Article published by Construction News (CN) "Top firms must merge to break industry vicious cycle" (featuring Author) https://www.constructionnews.co.uk/analysis/expert-opinion/top-firms-must-merge-to-break-industrys-vicious-cycle/10016670.article
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30/1/17	Press Summary published on website www.thinkbigpartnership.com http://nebula.wsimg.com/acecfb53647f7e31847d42a7bdd94c8a?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
Feb-Mar	No follow-up or reply received by/from CEO Richard Howson
3/4/17	Issued note seeking investor for Carillion to over 100 potential investors worldwide entitled "Focus on Carillion"
4/4/17	Advised by Email Gill Plimmer, correspondent at FT of Carillion being most Shorted Stock on FTSE by Hedge Funds
6/4/17	FT article on Carillion and Hedge Funds shorting the stock entitled "Anatomy of a trade: the persistence of Carillion's short sellers" https://www.ft.com/content/153913cc-1a0b-11e7-bcac-6d03d067f81f
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10-12/4/17	Issued formal letters/ approaches to Ferrovial, ACS (Spain), and Taylor Wimpey for expressions of interest in investment in Carillion

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9-31/5/17	E Mail exchanges with Michael McCartney EY with initial views on possible Carillion- Amey- Ferrovia RTO and follow-up status reports and views from EY
13/4/17	Meeting with Ryan Mangold, CFO Taylor Wimpey Group in High Wycombe HQ to discuss TBP proposal for TW to acquire Carillion. Attended also by John Mather, Pensions Adviser. Proposal not well received
15-31/5/17	E Mail exchanges (15/21/31) and (21/6) with Richard Howson re: interest in Merger/RTO with Amey-Ferrovia & confirmation of contacts made with CEOs by 21/6
10/7/17	Carillion issues half year figures disclosing £845m of provisions for losses; £150m of expected cash outflow; £695m level of debt; and £125m expected cash inflow from planned disposals https://www.carillionplc.com/news-and-media/2017-first-half-trading-update-strategic-review-and-management-changes/
10/7/2017	E Mail sent to Michael McCartney and response stating that Author sees it time for Carillion to seriously consider M&A as way forward, not Rights Issue or other balance sheet repair tactics.
13/7/17	Experts Article published by Construction News (CN) "Carillion woes prove the urgent need for industry M&A" (featuring Author) https://www.constructionnews.co.uk/analysis/expert-opinion/carillions-woes-prove-the-urgent-need-for-industry-ma/10021604.article
14/7/17	Article published by "One News Page" citing City AM and quoting Author as unsurprised that Carillion may seek sale http://www.onenewspage.com/n/Business/75ec1xuby/Carillion-shares-pop-after-drafting-in-HSBC-help.htm
17/7/17	E Mail to Shaun Carter, CSO at Carillion, suggesting urgent need for Carillion to seek White Knight buyer, and how www.thinkbigpartnership.com could help with search
	EY appointment as Financial Adviser and secondment of Chief Turnaround Officer for balance restructuring. E Mail to Michael McCartney, Partner EY stating Author's intent to develop discussions with Middle East investor
28/7/17	Issue of requests for expressions of interest by potential investors in Carillion, sent to target investors, and published on website www.thinkbigpartnership.com http://nebula.wsimg.com/5e6ea111fa78c7b0b8bb075efe062e6b?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
16/7/17	Article published by City AM entitled "Carillion hunts millions" quoting Author as stating that Bonding will be impaired by weak balance sheet while subsidiaries are sold off http://www.cityam.com/268540/carillion-hunts-millions-four-questions-board-must-answer
30/7/17	Article published by City AM entitled "Carillion attempts to assuage joint venture partner concerns" quoting Author as suggesting Carillion still investment opportunity for M&A http://www.cityam.com/269385/carillion-attempts-assuage-joint-venture-partner-concerns
7/8/17	www.thinkbigpartnership.com publishes on-line Q&A note entitled "A call for return of diversified construction groups- back to the future" https://nebula.wsimg.com/69b5fbacecf8ae7ed932aabe462c83f4?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
23/8/17	City AM published article entitled "Carillion shares tumble..." quoting Author as stating "Carillion's delay in reporting until end of September is to allow time to announce better news on refinancing. Carillion is a major player on PFI and government contracts and 50,000 employees so the government won't want to see it collapse because of debt." http://www.cityam.com/270761/carillion-shares-tumble-new-lows-short-sellers-fight-bet
29/9/17	TBP publishes and circulates an UP-DATE on Carillion and soliciting interest from would-be acquirers of Carillion Plc to make contact with TBP for referral to Lazards via EY https://nebula.wsimg.com/62d71e1419ed526b507a009f7bcf77d2?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
30/9/17	TBP's Middle East Partner advises that Middle East potential investor interest strong but depends on a way forward for the Carillion Pension Fund, to ensure any invested funds are not consumed to relieve deficit
2/10/17	Conference call with Middle East Partner in Dubai to discuss way forward with Middle East investor. Issue of Confidential File Note
27/10/17	TBP website publishes UKCC update

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2/10/17	Carillion Pension Fund changes Trustees
26-30/10/17	TBP's Middle East Partner advises by E Mails that Middle East investor interest still strong, but solicited interest from Qatari Royal Family for investment at Ascot invite, was declined
1/11/17 *	E Mails received from Boutique London based Investment Bank, expressing serious interest in potential purchase of Carillion Canadian subsidiary
27/11/17 *	E Mail to EY advising status of interest of two would-be investors- the Middle East Group interest in RTO, and the un-disclosed overseas investor introduced by Boutique Investment Bank whose interest centred around purchase of Carillion Canadian subsidiary. Request for EY to raise Carillion awareness in order for TBP to make direct immediate introduction so that urgent talks can take place direct with potential investors https://nebula.wsimg.com/7b67ce11d72f79844170fd77a7370eaf?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
4/12/17	E Mail response from Michael McCartney EY stating that Carillion management focus is on Disposals already underway, not would-be acquirers, but Lazards available for contact should investors show willingness to proceed. Quote "At present, the company's priorities are focused on pursuing those disposal processes previously disclosed to the market. So far as I understand (from the Lazard M&A team), any other approaches are being held for interest.....You will probably appreciate given the sensitivity of the situation and management's limited bandwidth, only a limited number of discussions with selected parties can be entertained at this time – as mentioned above, this is currently focused on those disposal processes already underway. If you have any parties who do have a desire to take forward discussions at the current time, do please let me know and I'll connect you to the relevant contacts at Lazard."
14/12/17	Year End Review Carillion published on www.thinkbigpartnership.com https://nebula.wsimg.com/2f8afd25df2a7a24570f0807900e1153?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
27/12/17 *	Press Release on Accounting Irregularities with suggested Article/ Expert opinion theme "THE EMPORER HAS NO CLOTHES"- sent as attachment to E Mails to FT, City AM, CN, Construction Index, Times, Guardian, Telegraph. E Mail quote: "It's been an Annus Horribilis for the industry with so many companies declaring losses and profit warnings affecting the market value of the whole sector. Carillion's late declarations have arguably exacerbated its problems and shareholder value. Interest I had received from an overseas investor waned as problems escalated. https://nebula.wsimg.com/1aa852f096e2f71ad15917c48b83cc5e?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1
3/1/18 *	The UK Financial Conduct Authority (FCA) announced a probe into timing of Carillion's market updates. https://www.ft.com/content/8cd9e460-f057-11e7-b220-857e26d1aca4
3/1/18	Personal E Mails to editors/correspondents at FT, CN, CityAM. "Further to my E - Mail of 28/12 below it is telling that the Financial Ombudsman (FCA) has today declared investigations into Carillion's timeliness and content of announcements. Prior to, and following launch of my Industry Report "UK Construction Consolidation 2017-2011" on www.thinkbigpartnership.com I held dialogue with Carillion, EY and Hedge Funds during late 2016 and early 2017, and encouraged M&A and the search for investors to stave off potential financial demise. The FT's 5th April Article on Carillion being the Stock Exchange's most shorted stock, and author's quotes in Construction News's Expert Opinion 13th July, confirmed the expected: <i>Quote CN: "Before it had issued a profit warning, the hedge funds were quietly assessing the signs of strain: disproportionate growth in trade receivables; poor cashflow performance; funding of dividends from disposal proceeds; high debt levels and pension fund deficits; and aggressive payment terms with suppliers. The writing was on the wall and it was too late in the day for a defensive mega-merger to prop up the balance sheet and avert <u>this</u> week's share price crash."</i>

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	<p>UKCCR Jan 2017 Report Appendices on Cash Accounting refers: see PAGES 53-59 https://nebula.wsimg.com/e92d4e1dfb3f47dcd58a6c80d76042b7?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1</p>
5/1/18 *	<p>TBP website publishes Phoenix Group soliciting 11th hour Middle East investors interests to approach company. Also disclosing List of International companies/ potential investors approached during 2017 https://nebula.wsimg.com/d48147dfbec7caa8efb2fa4e6a96952f?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1</p>
9/1/18 *	<p>TBP Middle East Partner confirms waned interest of potential Middle East investor, but potential follow-up possibility in February. Quote "I met today with J. Mc K Head of Investment and strategy. He said whereas they think that there is value in the current operation and in the company, he did not think their Board could get over the work out on the pension situation, and they do not have the in-house resources that can stretch to London deal with that type of liability. We have to wait and see what happens if there is another situation that materializes later that could be interesting. I will meet them again in February so let's stay in touch."</p>
12/2/18	<p>Boutique UK London Bank advises TBP that they are in discussion with client to prepare a Letter of Intent for issue to Carillion expressing serious interest in Canadian subsidiary and requesting long Form Asset/Liabilities details99</p>
14/2/18 *	<p>Letter sent by E Mail to Michael McCartney, EY offering again to disclose identity of potential investors and intermediaries, subject to contact from Carillion advisors and agreement for potential introduction/success fee only if investment transaction prevails. https://nebula.wsimg.com/b23db800bc7a258af4b957d948e41945?AccessKeyId=95B6737F98B38E354D56&disposition=0&alloworigin=1</p>
	G Malpass (Spain, 14/1/17)