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will support the development of the business, including expansion into mainland Europe. The company will also target opportunities in e-commerce.

Dial-a-Phone, which was advised by Cavendish Corporate Finance, sells mobile phones, accessories and re-

lated insurance direct. It is forecast to make sales of £30m this year with staff numbers rising to about 300.

Expansion has already started with a move to a new custom-built centre in north London.

Dial-a-Phone was started by Beck and Frank in 1995. Both have a background in

heavily in bespoke software for customer care and offers a 14-day money-back guarantee, free delivery and free insurance.

It is not tied to any one service provider and has no retail outlets.

Anton Wellenreiter of Barelays Private Equity said the cash injection would be

later this year," he said. "The business attracted us because it combined two growth areas, telecoms and direct marketing. It is also a good fit with our other investments.

"Dial-a-Phone is continually looking to upgrade its equipment, and it is a very well-run business."

Toni & Guy styles itself for float

Andrew Don

Andrew Don

TONI & GUY, the hair-salon chain, is gearing up for a stock-market flotation and a move into new businesses. The stylist to stars such as David Beckham, the Manchester United footballer, believes the haircare industry is about to emulate health clubs and be a fashionable City sector.

Toni & Guy has grown from one salon in Clapham, south London, 35 years ago to 227 salons worldwide and annual sales of £140m. It has 108 franchised outlets in Britain and 12 company-owned salons.

Its overseas network includes 45 salons in America, 14 in Japan, 15 in Germany, nine in Australia and three in Can-

ada. All 107 overseas hairdressers are joint ventures with local operators. Worldwide profits are £9m or 16% of turnover. Such margins make it one of the top performers in its sector.

Toni Mascolo, managing director, said: "A full stock-market listing is four years away. In the meantime we're trying to create a level of increased profit each year."

Toni & Guy's umbrella company is Mascolo Brothers, headed by brothers Toni, Anthony, international art director, Guy, chairman of the American operations, and Bruno, presi-

dent of the American business. It owns TIGI, a haircare-products company, and has two independent sister businesses, Innovia, a salon-furniture operation, and Essentials, a new salon concept.

The group is opening a chain of British cash and carries to supply hairdressers and a new shopfitting company called Straight Impact at its head office in Feltham, west London.

This will incorporate a restaurant selling traditional Italian country food, with a view to opening an international chain if successful.

New Oxford Street will also house a hairdressing academy, a salon and studio for Anthony. The plans come at a time when hairdressing is keen to boost its credibility in the City.

Its image took a beating following the collapse of the Unlisted Securities Market-quoted Alan Paul empire in the early 1990s. The subsequent fraud trial resulted in the jailing of three directors.

But now Britain's leading chains are attempting to fight back as two more companies eye up the markets — Blinkers Group of Southampton and Berkshire and the Barbershops chain, which is based in Buckinghamshire.

3i threatens hostile bid for coy Electra

Recession

Continued from page 1

between small firms and their banks, in terms of exchanging information, have improved since the early 1990s.

Entrepreneurs are better equipped to establish new businesses, according to the Bank's sixth report on finance for small firms.

This will be good news for the small-business sector, which has lost some confidence