

Bourne Leisure



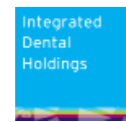
Bourne Leisure is the largest caravan park and leisure resort operator in the UK, operating through its Haven, British Holidays, Warner and Butlins brands. LGV provided equity for the acquisition of Rank's Holiday Division with LGV taking a minority shareholding in the enlarged group. It was the second time that LGV had been invited to partner with Bourne, and we were delighted to back the team again.

Following completion of the Rank acquisition, LGV supported the management in a radical re-shaping of the group with 36 Haven caravan parks sold and Oasis, the forest holiday village business based in Cumbria, sold to Center Parcs.

Having successfully sold the non-core businesses and integrated the head offices, the emphasis shifted to investing in the remaining portfolio. The success of the strategy and its execution enabled the company to raise further senior debt, allowing the founders and management to offer LGV a satisfactory exit through a share buy-back.



Integrated Dental Holdings



IDH is the largest privately owned company operating NHS dental practices in the UK. Following a decision by the management team to look for a Strategic Partner, LGV acquired a 51% shareholding in the business.

The partnership allowed management to partially realise their shareholdings in



the business and, at the same time, provided them with the resources to pursue a buy and build strategy.

During LGV's time of ownership, IDH opened or acquired more than 70 dental practices including Orthoworld, a group of 23 practices, which expanded the group's services into specialist orthodontics and implants. After two years, IDH was successfully sold through a secondary buyout, providing management with a further cash realisation.

Vue Cinemas



Vue Entertainment was established as a result of LGV working together with SBC International Cinemas, a small but growing UK cinema circuit, in its acquisition of the Warner Village Cinema chain in the UK.

The deal enabled SBC to create a new company called Vue Entertainment, making it the second largest cinema operator in the country. During our time of ownership, we supported the management team in making further acquisitions of existing cinemas, whilst also developing new sites. Three years later, the management team led a secondary buyout increasing their shareholding and also allowing LGV and the other shareholders to successfully exit the business.



Hayley Conference Centres



Following a decision by the founder to reduce his shareholding, LGV became a shareholder in Hayley Conference Centres, the UK's second largest operator of dedicated conference centres. As part of the deal, the founder retained a significant shareholding in the business and continued in his role as Chairman. The Strategic Partnership also provided an opportunity for the management team to take an increased equity participation in the business.

LGV and the founder supported management in their development of new sites and investment in the existing portfolio, with the number of bedrooms almost doubling over three years. The business was then successfully sold through a secondary buyout allowing the founder to realise a further tranche of his shareholding, whilst giving management a greater share of the equity and continued support for the roll-out of new sites.

LGV

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Working with *Strategic Partners*



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LGV has long recognised that teaming up with Strategic Partners can provide an edge that converts an interesting opportunity into a winning investment for both parties.

What sort of partners do we seek? Typically our partners are well established companies with strong track records or alternatively successful entrepreneurs who have built market leading enterprises.

We seek partners who can bring something other than just cash to the deal: in-depth and practical understanding of the specific issues, which we believe can only be gained by actual operating experience in the industry. Our partners may also be able to capture synergies through revenue gains or cost savings. We endeavour to bring to our partners the funding, strategic support and

commitment to achieve their goals.

LGV takes a flexible approach to the structuring of a deal and will take a minority position if appropriate: it's more important for us to work with the right partner than to steal the headlines.

Do these deals generate returns for our partners? That question is best answered by the fact that successful companies like Bourne Leisure and Enterprise Inns have chosen to partner with us on more than one transaction.

If you would like to discuss how we might exploit an opportunity together, call us on 020 3124 2900 or email us on enquiries@lgvcapital.com

About LGV LGV, the private equity arm of Legal & General Group Plc, is a long established mid-market firm specialising in leveraged buy-outs of well established UK businesses that have an enterprise value in excess of £50 million.

LGV invests in mid-market UK buyouts across four key sectors: consumer, healthcare, leisure and services. Since 1988, we have invested in more than 100 companies across these key industries.



LGV takes pride in its willingness to consider less conventional funding structures than many of our competitors. There are a number of circumstances where this flexibility can be particularly relevant:

Supporting businesses in making “step change” strategic acquisitions

We can help our partners grow their existing businesses by teaming up to make strategic acquisitions. LGV has assisted in transformational deals such as **Enterprise Inns’** purchase of The Unique Pub Company, which elevated it into the FTSE100, and **Bourne Leisure’s** acquisition of Rank’s Holiday Division, a business that was more than twice its size, creating the largest caravan parks business in the UK.

Assisting larger groups maximise proceeds from non core disposals

LGV works with corporates that want to dispose of non-core divisions but recognise that an outright sale for cash might not maximise proceeds. Using a Strategic Partnership structure, the vendor can realise substantially all of its investment in a non-core business immediately, but also retain a material interest in the future performance of that business. This helps maximise total proceeds, as achieved by United Biscuits when we worked together to create **Young’s Bluecrest**.

Facilitating partial exits for private business owners

LGV works with owners of businesses who are looking to realise some of their investment as part of succession or personal financial planning. LGV can provide the capital and strategic support to take businesses to the next stage of development, whilst at the same time enabling owners to diversify their investments. Examples of this include our involvement with **Integrated Dental Holdings** and with **Hayley Conference Centres**.

Investing in fundamentally sound businesses, where funding constraints may be limiting growth

LGV can help businesses where growth is restricted due to capital constraints, which might be the result of limited availability of leverage and/or a reluctance from the existing shareholders to put up additional equity. In addition to putting up new equity, we can work with existing stakeholders in optimising the entire capital structure and offering strategic support where required.

Unique Pub Company

**UNIQUE
PUB CO**

The acquisition of the Unique Pub Company, which comprised 4,189 pubs, utilised an innovative deal structure which combined a publicly quoted trade player with private equity investors.

As the pre-eminent listed trade player within the pub sector, Enterprise Inns was the logical acquirer of Unique, but was unable to complete the acquisition in the tight timeframe required - due to the listed company’s requirement to obtain shareholder approval. Therefore



LGV worked with two other private equity houses, together with Enterprise Inns, to structure a deal which gave Enterprise Inns a minority stake in the business and a call option over the remaining equity. The unusual feature of the call option was that it valued the institutional equity at a fixed price and was not based on a multiple of profit.

Two years later, Enterprise Inns exercised its option and acquired the remaining equity in Unique. Enterprise

Inns saw its share price more than double over the two year period, resulting in its promotion to the FTSE 100 index. For LGV, this was the second time we had successfully supported the growth of Enterprise Inns.

Young’s Bluecrest



With Young’s Bluecrest, we created the largest processor of frozen and chilled seafood in the UK. The company was formed from the merger of Bluecrest, which we had acquired a year earlier, and Young’s, the mainly branded subsidiary of United Biscuits. As United Biscuits focused on its biscuits and snacks, Young’s was clearly non-core. However, because of Young’s weak trading performance, an outright sale of Young’s for cash would not have produced an acceptable return for United Biscuits.

Working together, LGV and United Biscuits agreed a deal structure where LGV and United Biscuits merged the seafood businesses into a joint venture, with each taking a 44% shareholding and management the balance. United Biscuits also received cash in addition to its shareholding.

Within two years, United Biscuits, having recently completed a public to private transaction, approached LGV with a view to selling its stake in Young’s Bluecrest. The successful performance of the business enabled United Biscuits to sell its shareholding back to the company early achieving an exceptional return. LGV achieved its own exit a year later through a secondary buy-out.