
Our Investment approach - Case study - The CS Structured Credit portfolio

Vision Capital acquired the CS Structured Credit portfolio in February 2004, providing the seller with an exit from a non-core private equity activity in a single transaction, which included non European assets.

The CS Structured Credit portfolio was acquired by Vision Capital Partners IV L.P., an investment partnership with equity capital to fund the acquisition and support the future development of the portfolio companies. The portfolio included investments in:

- Avebury Taverns, the owner of over 700 UK tenanted pubs
- Elegant Hotels Group, which operates five luxury hotels in Barbados, mainly on its 'Platinum' west coast
- Cabot Financial, a purchaser of under-performing consumer debt
- RoadChef, a leading operator of motorway service areas in the UK

At Avebury Taverns, Vision Capital backed the management team's strategy, which centred on increasing the growth of the business through the development of the existing pub estate. During a period of active investor interest in pub companies, Vision Capital took the opportunity to realise its investment by dividing the estate into three parts with different attributes, the two largest of which were sold to Admiral Taverns in May 2005 for £70 million and to Punch Taverns plc in July 2005 for £219 million.

At Elegant Hotels Group, Vision Capital initiated a recovery programme following a period of underperformance prior to the acquisition. A new senior management team, a substantial capital investment programme and new marketing initiatives led to significantly improved profitability and prospects.

Cabot Financial focused on organic growth through the development of its market-leading position and by increased outsourcing. The business was sold to Nikko Principal Investments Limited for £275 million in April 2006.

At RoadChef, Vision Capital and other shareholders backed a new senior management team with a strategy of bringing third-party branded outlets into the company's motorway service areas. Roadchef was sold to a subsidiary of Delek Real Estate in March 2007 for £375 million.

Vision Capital

54 Jermyn Street, London SW1Y 6LX

Telephone +44 (0)20 7389 6410

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