



## Close Growth Capital Backs Serial Entrepreneurs in £12 Million Secondary Buyout of Blueberry Group

Close Growth Capital (CGC), the one stop shop hybrid equity and debt finance provider, has backed the £12 million secondary buyout of the Blueberry Group Limited (Blueberry). This provides an exit for 3i who backed the original buyout in 2005. Blueberry is the UK's leading supplier and distributor of speciality ambient food to the premium independent retail market including: garden centres, farm shops, department stores and speciality food retailers.

Customers of Blueberry include: Wyevale, Waitrose, John Lewis, Budgen and Booker as well as farm shops and independents. Products include: Foster's branded preserves, chutneys, confectionery, biscuits and cakes, John Lusty Soup, Boulevard snacks, Pelican Bay, Bahlsen biscuits, Cavendish and Harvey travel sweets to name a few.

Blueberry achieved sales of just under £20 million in 2007, 16 per cent higher than 2006, and has 3500 customers across 17 customer categories. It was formed in January 2005 from the merger of three businesses when serial entrepreneurs, Stuart Robinson and Mike Thorne, acquired Fosters Traditional Foods Limited (Fosters) backed by 3i. The core business consists of: Fosters, which accounts for c.75 per cent of turnover, Foodfinders which accounts for 20 per cent of turnover and Chambers Candy which accounts for 5 per cent of the business. Blueberry has 130 employees and is based in Market Harborough.

The deal was led for CGC by James Blake and Simon Jobson. Commenting James Blake, who joins the Board of Blueberry, said "Blueberry Group has a tremendously experienced management team that have a track record with private equity backed investments, having on three separate occasions delivered superior returns.

"The business has a strong and profitable platform to achieve organic and acquisitive growth in a highly fragmented market where there are many complementary product lines suitable for acquisition and integration."

Stuart Robinson and Mike Thorne have run a number of businesses within the food sector backed by private equity investors. Both are rolling over their original investment following the secondary buyout, and will assume a greater role within the business. Mike will become CEO and Stuart will work as an executive director focusing on potential acquisitions. Bernard Cook has been appointed Chairman. Bernard has had many senior roles in the food sector including with RHM (Manor Bakeries, Mr Kipling) and Cadbury. He has chaired a number of successful private equity backed food businesses.

Mike Thorne, CEO of the Blueberry Group said: "Specifically the UK garden centre market is a buoyant and growing sector as a result of changing lifestyles and a greater disposable income amongst empty nesters. Currently, we only supply to a quarter of the market demonstrating good opportunity for growth.

Also, we will be looking at a number of acquisition targets that we have already identified within the food sector."

**Fosters** is a 30 year old business specialising in selling traditional ambient food products to the independent, garden centre, farm shop, delicatessen and convenience sectors. It sources, ranges and sells around 1,200 products and is a major supplier of seasonal food and food gift products, including sugar and chocolate confectionery to cakes and biscuits to jams and chutneys. It also sells and distributes agency brands: Bahlsen, The Belgian, Pelican Bay, Create-a-Treat and Goldkenn.

**Foodfinders** sells customer led niche product solutions into a customer base of business to business, department stores, niche grocery, hamper companies and specialists. Sales of food and food gifts products are often one off or bespoke depending on the customer requirements.

Acquired by Fosters in 2004, Chambers Candy is a packing company specialising in bespoke products and own brands into the corporate gifting, and promotions market. Most of the products are confectionery lines packed in high quality tin ware.

**Sweetworld** specialises in the sourcing and supply of pick and mix either fully merchandised or supply only.



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**Ends**

## Editors' Notes

### About Close Growth Capital

Close Growth Capital provides combined equity and debt funding to UK mid-market companies through a distinctive single source approach. This includes finance for management buy-outs/buy-ins, companies requiring growth capital and secondary buy-outs, with a typical transaction size of £5million - £30million.

The investment takes the form of a tailor-made instrument combining the best elements of a secured loan with those of equity. The management team in an MBO or MBI typically retain a greater proportion of their company's equity and benefit from significantly enhanced flexibility in the repayment of the funding package.

During the past 18 months CGC has made new investments in Wrap Film Systems, Killby & Gayford Group, Eldapoint, the £32 million secondary buyout of A-Gas International, the MBI of Toms Confectionery Ltd, the acquisition of the confectionery arm of Burton's Foods, and more recently the acquisition of Monkhill from Cadbury.

Close Growth Capital, an investment arm of Close Brothers Group plc, was started in 1999 to provide combined equity and debt funding to UK SMEs. CGC invests in mid-market businesses in all sectors, but has a proven track record in: business support services, leisure, transport and distribution, consumer products and specialist engineering.

Close Growth Capital is the trading name of Close Growth Capital Limited, which is authorised and regulated by the Financial Services Authority.