



## Close Growth Capital exits Goodridge UK, leading supplier of hose and fittings

Close Growth Capital ('CGC'), a provider of combined equity and debt funding, announced today that it had sold its stake in Goodridge UK to the incumbent management team.

The deal represents an excellent return for CGC, who made its initial investment for its Fund 1 in May 2001. Goodridge UK has an annual turnover of £25m, an EBIT of £2m, and employs around 200 staff.

Goodridge UK is the world's leading supplier of hose and fittings, and specialises in providing high-performance fluid transfer systems to both the two and four wheel racing industry, for both the aftermarket and OEM (original equipment manufacturer) customers. Its products are used by Formula 1, NASCAR, and World Rally Car teams, as well as some of the world's largest all-terrain vehicle manufacturers and prestige automotive brands. Last year the business was named the Motorsport Industry Association's Business of the Year and received numerous quality awards from its customers. Based in Exeter, the company has offices across Europe, North America and Japan.

Mark Johnston, Group Managing Director at Goodridge UK said, "The strong relationship that we've enjoyed with CGC has enabled us to grow the business successfully. We have benefited particularly from their 'single-source', or combined equity-debt, approach and it has helped take Goodridge to a new level."

Garrett Curran, Director at Close Growth Capital said, "Goodridge have epitomised the qualities that we look for in an investee company. They are leaders in their field, boast a winning management team, and have enjoyed solid growth over the last five years. We wish them all the best for the future."

### Advisers:

**CGC Legals:** Osborne Clarke, Reading – Hugh Jones, Linda Williams

**Management Legals:** Stephens and Scown, Exeter – Guy Curry

**Banking:** Barclays, Bristol – Phil Rouse, Keith Herod



## About CGC

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 specialises in providing combined debt and equity investments to:

- Management buy-outs/buy-ins
- Companies requiring growth capital
- Secondary buy-outs

CGC invests in mid-market situations in any sector and aims to be the only (or main) financial institution involved. CGC looks for a UK business with a strong incumbent or incoming management team, a recognisable market position and a history of cash and profit generation.

## The Product

Close Growth Capital provides innovative financing alternatives for SMEs through the use of a hybrid debt/equity product.

The investment made by CGC in a company 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.

Close Brothers Growth Capital Limited is authorised and regulated by the Financial Services Authority.

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