



Close Growth Capital backs MBI of Toms Confectionery Ltd

“A Sweet Deal for CGC”

Close Growth Capital Ltd (“CGC”), a provider of combined equity and debt funding, announces that it is backing the management buy in (MBI) of Toms Confectionery Ltd (“TCL”), from Toms Gruppen of Denmark. TCL is headquartered in Blackpool and has facilities in Liverpool and Poole. It is the UK’s largest independent private label sugar confectionery manufacturer and in addition owns a number of its own brands, including the leading marshmallow brand, Princess. The company is also the sole UK distributor of the Anthon Berg range of chocolate liqueurs and O\ZONE mints.

The MBI team is being led by Steven Joseph and Chris Marshall, both successful entrepreneurs with considerable experience in the food industry; two of the existing directors, Neil Boddington (Operations) and Andrew Langan (Sales) will remain with the business. Natalie Eastham, who led the transaction for CGC, will also join the board.

The deal is funded by way of a unique form of single source financing from CGC, comprising equity and debt. The management are also providing equity. HBOS will provide working capital facilities for the business.

TCL manufactures “own-label” sugar confectionery for all of the major UK supermarkets, wholesalers and cash and carry outlets, and has a wide distribution throughout the UK confectionery trade. Its broad portfolio of sugar confectionery includes marshmallows, wine gums, jelly babies, toffees, fruit drops and mints. It has a number of its own brands in sugar confectionery including Princess Marshmallows, Taveners, Mojo, and Parrs.

TCL employs around 450 people and has turnover of over £40 million.

Natalie Eastham at CGC commented: “TCL has all the right ingredients: a first class management team with a long history in the food industry, and strong relationships with the UK’s leading confectionery retailers. We believe the business is now well positioned to achieve further growth and expansion.”

Steven Joseph said: “CGC have provided a funding package that is attractive and meets our needs. We are tremendously excited about the prospects for the business and we look forward to working with CGC to build on Toms’ success to date.”

- Ends -

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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.
