

This announcement appears as a matter of record only

Buy-Out of Gala

Equity provider:



Legal Adviser to Gala Management:

JOELSON WILSON

Legal Adviser to the Equity provider:

Linklaters

Financial Adviser to the Equity provider:



Tax and Financial Due Diligence Adviser:

PRICEWATERHOUSECOOPERS

Valuers:

CBRE
CB RICHARD ELLIS

Lead Adviser to the Vendors:



Legal Adviser to the Vendors:

ashurst

Permira funds buy Gala stake

Funds advised by Permira, one of Europe's leading private equity firms, are to buy an equity stake in Gala, the bingo and casino company. The deal values the group at £1.89bn.

Under the terms of the transaction, funds advised by Permira will invest approximately £200m to become a joint and equal investor in Gala alongside current owners Candover and Cinven.

A refinancing of the company's debt has also been undertaken as part of the transaction and has been arranged and underwritten by Lehman Brothers, Royal Bank of Scotland, together with Intermediate Capital Group plc.

Gala Group is one of the UK's largest gaming companies operating 30 casinos and 166 bingo clubs. John Kelly and Neil Goulden, respectively Gala's chairman and chief executive, and their senior management team will stay in their roles.

John Kelly said: "The backing of Cinven, Candover and Permira – three of the biggest buy-out firms in Europe – gives us even more financial firepower and flexibility. Gala is in the very best position to grow and exploit the opportunities arising from a more deregulated gaming environment."

Martin Clarke, a partner at Permira, said: "We have been admirers of the Gala business for many years and approached Candover and Cinven because we have long believed that the prospects for its business are strong. Gala has proved itself time and time again, through impressive earnings growth and its ability to generate cash."

Gala Group was advised by Close Brothers. Cinven and Candover were advised by Merrill Lynch, Deutsche Bank and UBS. Permira was advised by Lehmans, Global Leisure Partners LLP and CB Richard Ellis Financial.

Principals of Global Leisure Partners have long standing relationships with both Gala and Permira. GLP was retained by Permira as adviser due to its deep gaming

industry knowledge as well as its relationships with the management of Gala.

The GLP team was led by Mark Harms, CEO. Paul Richardson, Executive Director, managed GLP's transaction execution in conjunction with Tina Palastanga, Vice President and Adam Lorient, Associate.

Mark Harms said: "In addition to providing extensive financial analysis and modelling assistance, GLP advised Permira in evaluating a myriad of strategic and financial issues including growth prospects, potential risks, and assisted in the complex negotiations. We are delighted to have assisted Permira in securing this investment in one of the global industry leaders in high volume low ticket gaming at this transformational point in the development of the UK gaming industry."

Joelson Wilson acted for the Gala management team on the transaction. Sheldon Cordell, head of JW Corporate commented: "We advised management on the terms of sale, new investment arrangements, disclosures and option arrangements and the refinancing programme. We are delighted to be part of the team of advisers who are assisting the company in its next stage of development."

Joelson Wilson also worked alongside Close Brothers and the Birmingham based Transaction Tax Team of Ernst & Young.

CB Richard Ellis Financial Ltd were the property advisers to Permira and RBS and structured the property element of the transaction in a way to create value upon which additional finance could be provided without placing unnecessary burdens upon the operation of the company.

The CB Richard Ellis team was led by Tony Martin (Senior Director) who was able to call upon the firm's previous experience in this work for Private Equity firms together with its expertise in the leisure markets to provide the advice for the acquirers. [ACQ](#)