

February 2013

£9m management buy-out of TeamSport Racing Limited

TeamSport today announce that it has completed the £9m management buy-out of TeamSport Racing Limited, the largest operator of go kart tracks in Europe.

TeamSport was founded in 1990 by Paul Wrightman who, alongside Managing Director, Dominic Gaynor, has grown the business steadily to nine venues across the UK.

The deal provides an exit for Wrightman although he will remain involved with the business in a non executive capacity. The management team led by Gaynor will focus on growing the business, aiming to have at least 16 sites by 2016. There is visitor demand with TeamSport witnessing 40 per cent rise in visitor numbers in just three years.

Connection Capital introduced and invested alongside Neil Taylor, co founder of GAME, in the deal. Taylor and his team grew GAME into a successful company prior to taking it public on the UK Stock Exchange and selling it in 1999 to its rival retailer Electronics Boutique for £99m.

The MBO comes at a time when there is a growing demand to make motorsport accessible to the public and corporate markets. TeamSport has circuits across the south of England and Wales, but plans to start moving north across the UK – and strengthen its foothold in London, where it has two tracks already. Opened in 2011, its Tower Bridge track is a ‘green’ site, with world-first, fearsomely fast eco- karts. It is London’s only carbon neutral leisure venue.

The growth strategy for the business therefore includes the acquisition of new and existing tracks in what is a very fragmented UK market. There is estimated to be some 100 go karting operators many of which are small and lacking ongoing investment.

Dominic Gaynor, TeamSport’s Managing Director commented

“Our success is based on our fantastic core product; our customers get to race on exciting multi-level tracks - and their experience is delivered with exceptional customer service.”

Jervis Rhodes of BLME who provided the debt, said,

“This is the first management buyout transaction for the newly established acquisition finance team at BLME and the first Islamic Finance MBO transaction in West Europe for many years. The BLME Acquisition Finance team is focussed on mid market transactions between £3 and £20 million and is delighted to support such a high quality investor group as Connection Capital and management. BLME looks forward to the rollout of new TeamSport sites.”

Gaylor added,

“Now we have financial support in place, the next few years represent a fantastic opportunity for TeamSport to continue its growth across the UK. We are currently looking at some interesting acquisition opportunities, and have advanced plans for several new track builds later this year.”

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Notes for editors

About Bank of London and the Middle East (BLME)

Bank of London and The Middle East plc ("BLME") is an independent UK wholesale Sharia'a compliant bank based in London. BLME received FSA authorisation in July 2007 and is the largest of its peers in Europe. It is led by a management team that brings together a combination of experienced international bankers and leading experts in Islamic finance. BLME has three key business areas; Corporate Banking, Treasury and Wealth Management that includes Asset Management and Private Banking.

BLME is dedicated to offering innovative Islamic investment and financing products to businesses and high net-worth individuals in the European, US, Asian and MENA regions. To ensure that BLME's services and operations are wholly Sharia'a compliant, the Bank has a dedicated Sharia'a Supervisory Board ("SSB"). The SSB's role is to review contracts and agreements relating to all transactions ensuring that they are consistent with the principles of Islamic jurisprudence.

Connection Capital

Connection Capital is a private client investment business which allows individuals to build a broad portfolio of direct private equity investments. The business provides investors with a fully managed service whereby clients have the ability to invest on a deal by deal basis as part of an organised syndicate. Connection Capital currently has over 600 investors with a combined net worth of over £3bn. Connection Capital has over £135m of funds under management.

www.connectioncapital.co.uk

TeamSport

Established in 1990 with one of the first UK tracks in Guildford, Surrey, TeamSport (then trading as Go Karting For Fun) quickly began to expand, launching three more tracks in its first ten years' trading. It recently totally refurbished its Crawley track – creating an unparalleled three tier experience. In the last two years TeamSport has gathered pace again with further openings: a world-first carbon neutral track at Tower Bridge in London, a Bristol track and laser tag venue - and a brand new circuit in Brighton.



TeamSport is now the largest operator of kart tracks in Europe.

www.team-sport.co.uk