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**NIKKO ACQUIRES CABOT FINANCIAL HOLDINGS GROUP  
IN £275M SECONDARY BUYOUT**

Nikko Principal Investments Limited ("NPIL"), the European principal finance arm of Nikko Cordial Corporation, has acquired Kent-based market leader in debt purchase Cabot Financial Holdings Group ("Cabot"), in a £275 million transaction.

NPIL acquired Cabot from Barclays Private Equity ("BPE"), the pan-European mid-market private equity house. Ken Maynard, Chief Executive, Glen Crawford, Managing Director, and other senior management have reinvested and will continue in the business, and Simon Oakland and Peter Gissel, Principals of NPIL, will become directors of the company. Barclays Private Equity has also reinvested funds of £25 million, alongside NPIL. Cabot now plans to build on the successful growth of the UK business to date and expansion into Continental European markets.

Cabot was established in 1998 as the UK's first specialist debt purchaser. The Company employs over 300 staff across the UK and currently owns 1.3 million customer accounts. Cabot has a 15 per cent share of the UK debt purchase market and in 2005 revenue was £55 million.

Ken Maynard, Chief Executive Officer of Cabot, commented:

"We are delighted to be able to work with Nikko to take the business on to the next level. Nikko has an excellent reputation for supporting its investment companies and helping them fulfil their potential both here in the UK and overseas. The UK debt market continues to grow and we believe that there are significant opportunities for us to expand into new markets. We look forward to working with the Nikko team to achieve this."

Brian Berry, Chief Executive of NPIL, added:

"Cabot Financial represents a very significant opportunity for Nikko to build on the UK market leader's position in the fast growing consumer debt purchase market and expand into other high growth markets overseas. With Nikko's financial resources and financing expertise, combined with the high quality Cabot business and management team, we believe we have acquired an excellent platform from which to achieve this. We look forward to working with the Cabot management team to build on the pre-eminent business platform that has been established."



Owen Clarke, Managing Director of Barclays Private Equity, said:

“Cabot Financial has performed exceedingly strongly during our investment. Debt purchase is an increasingly competitive market but it continues to grow strongly. Cabot is the longest established business in the sector and has the most extensive database of acquired debt. An exceptional management team has kept the business at the forefront of market developments and we are therefore pleased to be re-investing in the company alongside Nikko and look forward to continuing our relationship with the management team.”

Barclays Private Equity originally backed the business in January 2004, taking a majority stake, and at today’s sale price has generated a 3x return on investment. The BPE transaction team was led by Owen Clarke and Dominic Geer. Vision Capital also took a stake in the original buy-out which they have sold in full.

NPIL has a successful track record in the consumer finance and financial assets markets, including previous investments such as Mortgages plc, Resolution Life and its current investments in UK student loans and British Credit Trust, which NPIL recently helped to extend its funding lines to over £225 million.

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## **Notes to editors:**

### **Cabot Financial**

Cabot Financial is a market leader in consumer debt purchase in the UK. Formed in 1998, Cabot Financial now has over 1.3 million consumer accounts with total outstandings in excess of £2.5 billion.

A key differentiator for Cabot Financial is its “life of asset” approach combined with an ethical philosophy of treating customers with respect. This methodology ensures that Cabot Financial produces market leading collection rates whilst preserving the underlying customer relationships.

Cabot Financial’s principal investor is Nikko Principal Investments Ltd, alongside Barclays Private Equity and the management team.

Cabot Financial is licensed under the Consumer Credit Act and is a registered Data Controller under the Data Protection Act. It is a member of the Credit Services Association and the Consumer Credit Trade Association.

It is also a member of CAIS, Insight and Share, the credit bureau reporting platforms provided by Experian, Equifax and Call Credit respectively.

For further information, see [www.cabotfinancial.com](http://www.cabotfinancial.com)

### **Nikko Principal Investments Ltd.**

NPIL was founded in London in 1997 and is the European principal finance arm of Nikko Cordial Corporation, one of Japan’s biggest securities companies.

NPIL operates as a dynamic principal investor, combining the characteristics of venture capital or private equity firms with the ability to innovatively structure and underwrite debt. The Group focuses on corporate acquisitions, asset warehousing and portfolio acquisitions ranging from £30 million to £500 million in aggregate enterprise value. It targets businesses offering growth potential and which are supported by stable cash flows, property or financial assets and applies the financial expertise of its 30 strong team to assist management teams in the restructuring of assets to optimize the cost of capital and to enhance operational efficiency.

The NPIL team have financed a number of investments in the UK and Europe to date, including European Directories S.A., Menzies Hotels, RoadChef, Powell Duffryn plc, Mortgages plc, British Credit Trust, UK student loans and Catalina Holdings Limited, a reinsurance company. Nikko was a shareholder in Resolution Life, which merged with Britannic in 2005 and in 2004 successfully floated two portfolio companies, PD Ports and Hamworthy, on the London Stock Exchange.

### **Barclays Private Equity.**

Barclays Private Equity is one of the leading investors in mid market buy-outs in the UK and across Europe, with more than 300 transactions to its name, typically ranging in size from €25m to €250m. In the UK, it has a sector focus on Consumer & Travel, Financial Services, Support Services and Healthcare.

Since 2000, Barclays Private Equity has made ten new investments in financial services companies with a combined transaction value of €1.6 billion and achieved five exits with a total transaction value of €3.5 billion.

### **Advisors to NPIL:**

- Due diligence and Financial Adviser - PriceWaterhouseCoopers
- Legal - Allen & Overy



**Advisors to BPE:**

- Due diligence – Deloitte (Financial), LEK (Market)
- Legal - Clifford Chance