

**Advisers**

**Equity** – PricewaterhouseCoopers (*Corporate finance, financial due diligence and tax*); Taylor Wessing, Nick Hazell, Russell Van Praagh, Martin Yells, Hassan Sohbi, Peter Bert, Gilles Amsallem, Laurence Lapeyre, Michael Florian-Ranft, Michael Tan (*Legal*); **AT Kearney** (*Commercial due diligence*); **Newton Industrial Consultants** (*Operational due diligence*); **Heath Lambert** (*Insurance due diligence*); **Environmental Resources Management** (*Environmental due diligence*).

**Vendor** – Linklaters, Fabian Ehlers, Andreas Kurtze (*Legal*).

**Management** – Walker Morris (*Legal*); Grant Thornton (*Financial due diligence*).

## Zurmont Madison backs CLS growth

**Investors**

Zurmont Madison Private Equity has acquired language services provider CLS Communication AG in a partial buyout of the existing managing shareholders combined with an increase in the company's equity. The management approached the investor exclusively based on their reputation for realising successful MBOs and industrial expertise to back growth. Zurmont invested from Zurmont Madison Private Equity LP. On completion, the existing management team, headed by CEO Doris Albisser, will hold a substantial minority interest.

The funds will be used to make further acquisitions in a fragmented market, where the top 30 companies in the space hold about 25% of the market. There is substantial M&A activity among the top 50 companies in the space. The funds will also be used to finance ongoing organic global expansion. While the market is currently contracting slightly, it has been growing in the double digits in recent years, and projections indicate a growth of about 8% per year after the economic recovery. The investor plans to develop the company to provide more upstream services, such as copywriting, editing, reputation management and consulting in the area of communication and related IT-based solutions.

The first stages of the company's continued growth will be backed with pure equity. The company was valued on the basis of comparable businesses and its growth potential.

Weeks after the buyout by Zurmont Madison, CLS Communication acquired Scandinavian Translators A/S with retroactive effect from 1 July 2009. Based in Lyngby, the translation and interpreting company strengthens CLS's position in the Danish market and provide the company with a good platform for further expansion in the Nordic region. Both companies have a similar business model and complementary client base, and the acquisition brings additional advantages in the areas of client service, market presence and extended service offering. The company was founded in 1977 and has 15 internal and maintains a pool of about 120 external freelance translators.

CLS Communication is in the final stages of acquiring another add-on company located outside Europe. In total, the investor plans to make three to five add-ons during its investment period. The investor sees an IPO as a possibility, as well as a trade sale to a competitor or a large media group.

**Debt**

The investment was equity-only.

**Company**

CLS Communication was formed in 1997 as a spin-off from the language services departments of Swiss Bank Corporation (now UBS) and Zurich Insurance and was incorporated with registered office in Basel. With 14 locations in Europe, the USA and Asia, CLS is a provider of

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## BUYOUT

**CLS Communication AG**

<b>Value</b>	<b>CHF 20m-35m</b>
<b>Location</b>	Basel
<b>Sector</b>	Business support services
<b>Founded</b>	1997
<b>Staff</b>	350
<b>Turnover</b>	CHF 60m

integrated multilingual communication services in its core areas of finance, insurance, life sciences, telecommunications and legal. Services include copywriting and editing, human and machine translation, terminology databases as well as integrated client applications. At the time of the spin-out, the company posted sales of CHF 5m, in 2008, the revenues have grown to about CHF 60m with an internal headcount of 350. In addition, CLS has a global network of more than 1,600 external language specialists throughout the world.

#### People

Zurmont Madison's deal team consisted of Guido Patroncini and Andreas Ziegler, who will join the company's board with Michel Hirschi.

#### Advisers

**Equity** – Wenger Vieli, Dr Christoph Schmid (*Legal*); BDO Visura, Marek Franke (*Financial & pensions due diligence, tax*); Simon Kucher & Partners, Dieter Lauszus (*Commercial due diligence*).  
**Vendor** – Bank Vontobel Corporate Finance, Robin R Richiger (*Corporate finance*); Attorney at Law, Markus Hildbrand (*Legal*); Tax Partner, Patrik Schwarb (*Tax*).

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## portfolio management

### AEM Technologies Holding AG

#### Ventizz

Ventizz has merged the business activities of its portfolio companies AEM Technologies Holding AG and CardFactory AG. This transaction results in a provider of data carriers, PCBs and computers with integrated security electronics (“embedded solution house”), which will operate under the name of AEM Technologies Holding

AG. The merger became effective on 30 June 2009. It is a result from contributing majority interests in CardFactory to AEM Technologies Holding, both held by the fund Ventizz Capital Fund III. Willi Mannheims, partner of Ventizz, handled the transaction. The investor expects demand for integrated security applications will increase strongly in AEM Technologies Holding's core markets.

The market is estimated to be worth up to €13bn in Europe alone, and is being served by more than 1,000 companies with turnovers between

€5m and €50m, which leaves room for further consolidation. For this year, Ventizz plans to integrate the businesses and does not expect to make additional purchases.

AEMtec GmbH was acquired in January 2006 (*April 2006, page 26*), and the investor added ECR AG and GS AG in October 2006, and Mikrap AG in February 2008.

Oldenbourg-based CardFactory was acquired in January 2006 (*March 2006, page 32*), and had add-ons PPC GmbH