

## LBO France, majority shareholder of Karavel-Promovacances group buys the tour operator Fram

**Paris, November 27<sup>th</sup>, 2015** – The commercial court of Toulouse issued its decision on November 25<sup>th</sup>, validating the takeover of Fram and Plein Vent by LBO France. This decision allows the emergence of a new French leader in the tourism industry, which will benefit from solid operational synergies with Karavel-Promovacances.

*“I am very happy with this decision. Today, I want to focus on the future and work together with the employees, who have experienced difficult months, to forge ahead and to help Fram grow again,”* said Alain de Mendonça, President of Karavel-Promovacances.

*“In a particularly complex recovery context, the quality of the industrial project and our responsiveness made the difference. Our knowledge of the sector and our French market rooting provide us with a precise understanding of Fram’s main business issues. This operation is the result of the work undertaken long ago hand in hand with Alain de Mendonça and matches our desire to become a major actor in the context of the sector’s consolidation. Business models complementarities, identified synergies and the turnaround expertise of the management of Karavel-Promovacances were key criteria,”* added Eva Hoël, Director at LBO France.

Fram, Plein Vent and Promovacances are extremely complementary brands, in terms of positioning, know-how, geographical footprint and customer type.

- Firstly, Fram and Plein Vent, historically benefit from the strength of their reputation among travel agents and clients, strong regional footprints and Framissima clubs.
- Secondly, Karavel-Promovacances is a pure player with a DNA focused on technology and risk management, a pioneer of e-tourism which has become in less than 15 years the French No. 1 of online travel sales.

*“We have a lot to learn from each other and we plan to immediately put in place significant synergies and to share ‘best practices’ for each company. However, each brand will keep its own identity and positioning,”* explained Alain de Mendonça.

The industrial project is structured around 4 pillars:

1. Creation of a joint buying group to improve purchasing terms and particularly on air transport / hotels / intermediary operators parts
2. Pooling Fram / Plein Vent / Karavel flights plans and deploying Yield Management methods to limit unsold seats number and optimize margins
3. Capitalizing on the complementarities of Fram / Plein Vent and Karavel’s features: Fram and Plein Vent are well-established regionally, Karavel is taking off in Paris / Fram and Plein Vent is dominant on some summer destinations (Spain, Croatia), Karavel on the long-haul destinations (Mexico, Dominican Republic), etc.
4. Developing innovation and technologies by sharing certain Karavel technological modules, in terms of sales, back office and CRM tools...

*“We want Fram to keep on working with its distribution networks, as they always have accompanied the company,”* continued Alain de Mendonça. *“Our goal is to create a leader in the package tour market in France, helped by its 1,100 employees, with a turnover of 700 million euros and relying on a network of one hundred of agencies, the best solidity and reliability guarantee in a sector weakened by different crisis.”*

Operationally, Fram and Plein Vent teams will remain on their historical sites in Toulouse and Saint-Laurent-du-Var and a dedicated management team will soon join them to reinforce their teams.

### **Advisors on the operation:**

Financial advisor of LBO France and Karavel-Promovacances: Benoit & Associés (Cyril Benoit)

Legal advisor of LBO France: Racine Avocats (Laurent Jourdan)

Legal advisor of Karavel-Promovacances: Blowin Avocats (Bertrand Biette)

### **About LBO France**

LBO France, an independent private equity firm with €3.1bn under management, runs four non-listed strategies through dedicated teams: (i) Mid Cap LBO White Knight funds, (ii) Small Cap LBO Hexagone funds, (iii) Real estate White Stone and Lapillus funds and (iv) Credit opportunities Altercap funds. Responsible and independent, LBO France is 100% owned by its management in place since 1998 and boasts a team of over 49 professionals.

With the White Knight funds, LBO France invests in French champions, either already present or with strong potential for development abroad. LBO France accompanies them, providing skills and financial means to foster growth, be it organically, through build-ups or operational optimisation. More than 50% of White Knight's portfolio companies turnover is thus generated outside France.

White Knight focuses on companies whose enterprise value is between €100 million and €2 billion. Since 1998, over 27 acquisitions have been carried out over six generations of funds.

[www.lbofrance.com](http://www.lbofrance.com)

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