

French team breaks from Legal and General Ventures

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Christophe Fercocq and Hervé Franc, the French investment team of Legal and General Ventures, are separating from the insurance group to form Cobalt Capital with plans to raise a €200m (\$246m) mid-market fund.

While Cobalt is raising the fund, it will manage Legal and General Ventures' existing French portfolio, which includes stakes in Molliflor, a casino operator acquired in March 2002, and Cheynet, an elastic fibres manufacturer, bought in early 1999.

Fercocq and Franc have invested a total of €185m since Legal and General Ventures opened its Paris office in October 1996.

Franc said Cobalt would focus on a lower enterprise value range than he had been targeting for Legal and General Ventures. "We had previously not looked at companies below €100m but we think that there are some fantastic opportunities for companies valued between €30m and €200m and that focusing on these will put us in a better position to differentiate our offering from the competition in the French market," he said.

Fercocq and Franc have overseen three exits including Santé Finance, a private hospital group, which was sold to Universal Hospital Services in March 2001, and Compagnie Générale Espaces Verts, a landscaping contractor that it sold to ISS, a facility services group, in July 2001 for a 2.5 times return.

Franc said Cobalt intended to remain active in the French investment market and would structure investments on behalf of "friendly institutions" while the fund was being raised.

Legal and General Ventures timed the announcement of the French team's separation to coincide with the final closing of its fourth fund at £180m. Mvision, the independent placement agent advised Legal and General Ventures on fundraising.