



Rabobank

Case: Luzac Holding B.V.

Private Equity

Many students do not excel sufficiently within the public secondary education system and consequently move to private education. Luzac Opleidingen is market leader in the Netherlands.

Luzac has grown from success to success since the management buy-out together with Rabo Private Equity in June 2006. Rabo Private Equity finances Luzac's growth strategy in its role as majority shareholder.

Luzac Holding is an education company that was established 22 years ago. The company has three core activities: accelerated secondary education courses (Luzac College), private secondary education for relatively small groups of students (Luzac Lyceum) and college programmes for business owners. Luzac College also operates an educational institution in Curaçao under the name Nieuw Abel Tasman College. Luzac has approximately 2,000 pupils that pay an average of 13,500 euros a year each. The company's total annual turnover consequently amounts to approximately 27 million euros. Luzac has 150 permanent and 500 temporary employees working at its thirty locations. 'Empowering people to achieve personal development is our core activity,' says Managing Director Anton Busselman. 'We teach

'The main reason I think Rabo Private Equity is so good is because they give us the freedom to run our business'

people to leverage their own ambitions and strengths and to develop an individual identity and authenticity. Our commitment is for the children that join our schools to leave with the best education possible.'

Putting ideals into practice

The previous owner, United Services Group (USG), which is one of the Netherlands' largest temporary

Deal in a nutshell:

- **Where:** The Hague.
- **When:** 20 June 2006
- **What was the problem:** The Board of Directors of Luzac recognised opportunities for further growth, but was unable to achieve this potential under the previous owner, the listed temporary employment group United Services Group (USG).
- **Which solution is chosen:** Management buy-out in which Rabo Private Equity acquired a majority participating interest (80%) and provided the prospect of growth financing.
- **Who were the parties involved:** Luzac Opleidingen, Rabo Private Equity, the management and USG.



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employment organisations, did not want to invest in the further growth of Luzac because the company did not constitute one of its core activities. This went directly against Anton Busselman's firm belief that private education is set to experience a period of fantastic growth as a result of the changing society and the ensuing issues in public education. He thought it would be a shame not to benefit from this development. 'At a certain point we began looking for a business culture that would appeal to us,' says Busselman, who joined Luzac 22 years ago as a mathematics teacher and who has now served on

'Rabobank gives us the freedom to run our own business and that demonstrates courage'

the Board of Directors for two decades. 'We have an excellent track record and met with a number of banks and other prospective financiers to discuss our options. While many of them were quite willing to take out a stake in a company that is as lucrative as Luzac, we ultimately made a conscious choice to work with Rabobank through its private equity company Rabo Private Equity. We were impressed by the fact that when we met with Rabo Private Equity we hardly spoke about finances. Instead we discussed our vision, market developments and, above all, our plans for developing a successful company and what we needed to realise our plans. This approach appealed to us tremendously. Our aim is not to gain personal wealth. We are driven and passionate about education. I was born in 1955 and, like so many of my generation, I'm an idealist through and through. So I also want to have the opportunity to put my ideals into practice.'

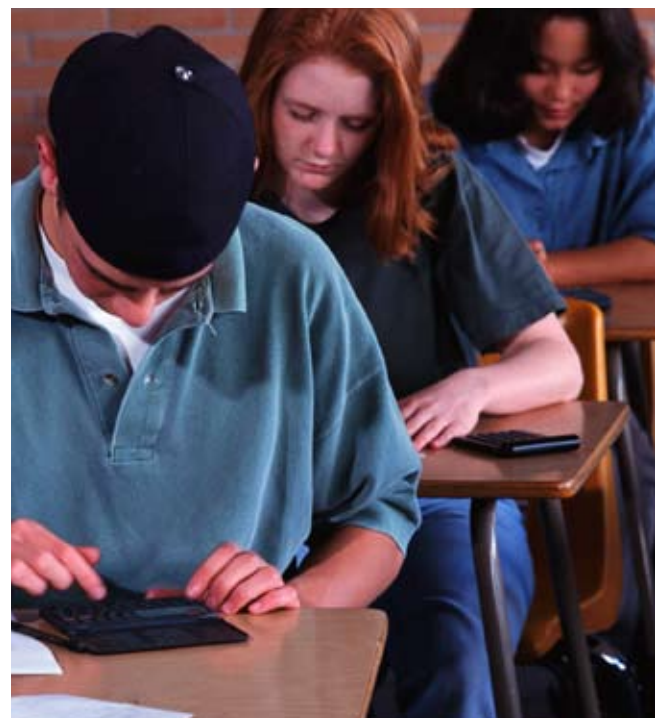
Anarchy

Busselman describes himself and his fellow director as 'tough to manage'. 'We are dissidents and prefer structures that have anarchist tendencies and that create an environment in which each individual can develop his or her talents. Rabo Private Equity

shares our interest in revitalising education. And our vision of separate responsibilities. The main reason I think Rabo Private Equity is so good is because they give us the freedom to run our business. They don't interfere in anything. And that takes courage. They take us seriously, realise that setbacks happen and believe in our company's strategy. Rabo Private Equity assumes that the management leads the company, not the investor. Rabobank's private equity company doesn't want to sit in the director's chair. 'Every man to his trade,' is what they say. We put a great deal of energy into our relationship. And it's an investment that pays for itself. We want to make our dreams come true with Rabobank. We have faith in them and they in us.'

Result-orientated environment

The buy-out by Rabo Private Equity enabled Luzac Holding to launch Luzac Lyceum. 'It has already become a huge success,' says Busselman. 'We started in the 2006/2007 school year and we now have nine locations in the Netherlands. 'We take a different approach than regular secondary or university preparatory schools. We pay more attention to students and provide them with a result-orientated environment. We focus on what





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they are good at rather than on what they are not good at.' And majority shareholder Rabo Private Equity naturally provides the financial resources required to carry out the growth strategy that is supported by both parties. And Busselman is already envisioning the next step.

'We want to make our dreams come true with Rabo Private Equity'

His dream is to open a Center of Excellence where top students can receive training from the best teachers. 'Sixteen percent of our gifted children do not complete a university or college education and that is a tremendous waste of talent. We should and are going to bring about a change. I look forward to rising to the challenge. The best people are always the most difficult. And I love it. I guess it's because I'm pretty difficult myself.'

Interested?

Contact your account manager or your local Rabobank.

The key characteristics of the deal are:

- Management buy-out whereby Rabo Private Equity acquired 80% of the shares and the management acquired a small minority interest
- Growth financing

