

THE SCOTSMAN

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Murray tucks away £15m profit from Vida

NICK BEVENS

DAVID Murray, the former chairman of Glasgow Rangers Football Club, has netted a £15 million profit from an investment made in 2001 in the booming market for five-a-side football venues.

Murray was the main financial backer of Edinburgh-based Vida, the UK's second largest player in the sector, through Charlotte Ventures the private equity arm of his Murray International empire - but the firm has now been bought by an MBO worth £30 million, led by its managing director Tom Younger with backing from Jon Moulton's private equity group Alchemy Partners and RBS.

The management team has increased its stake from about 8 to 22 per cent, and the new owners have pledged to double the number of Vida's five-a-side complexes across the UK and Ireland.

Younger, the managing director and son of Hibernian football club legend Tommy Younger, said the firm plans to build a new complex in Southampton and expects to open in Ireland in the near future, with a further six locations due to be announced. The company is creating 250 jobs. It is also looking at expansion into Europe.

David D Murray, managing director of Charlotte Ventures and son of David Murray, said: "We are very happy with this transaction since it represents a good deal for everyone concerned and reflects the type of funding in which we specialise."

Vida has grown faster than any other company in the sector, with turnover of £6m from 12 its sites in Scotland and England.

Its move comes as Paisley-based Powerleague, Britain's largest operator of five-a-side centres with 24 sites, has just completed a management buyout of its own from 3i, the venture capital group.

That deal, backed by HBOS, is for an undisclosed sum but is believed to value Powerleague at more than £20m.

The group is today expected to announce a two-year sponsorship deal with Xbox, the first time a major brand had sponsored five-a-side football.

The two MBOs have sparked speculation that those two companies, and possibly the third player in the market, Goals, which is Scottish and backed by venture capital group Dunedin, could be lining up a merger, but a spokesman for Vida said yesterday he didn't believe such a plan existed.



Evening News

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Murray scores £18m profit after strong run

SCOTT REID

RANGERS owner David Murray has seen his Edinburgh-based holding company, Murray International Holdings, turn last year's £2.4 million loss into an £18m profit.

In his chairman's statement, Mr Murray described the group's performance as "excellent", with "very positive" contributions from the metals, property and private equity businesses.

However, the latest accounts - covering the 12 months to the end of January - also revealed that net debt had risen to just over £230m from £190.2m at the start of the financial year.

The local entrepreneur insisted that the 21 per cent increase would not affect the conglomerate's ability to underwrite a £57m Rangers rights issue, which was announced last week.

During the period under review, MIH was boosted by gains totalling some £20m from asset disposals, including the £16m sale of five-a-side football business Vida Sports. In addition, the group recently made two strategic acquisitions - taking a 30 per cent holding in Alexander Dennis and buying the contact centre arm of telecoms outfit Thus.

Pre-exceptional operating profit, after gains on sale of fixed assets and investments, rose for the fifth consecutive year, from £20.2m to £21.4m. Meanwhile, net assets increased from £89m to more than £100m. Mr Murray said: "We have been very active in all aspects of our business during the financial year.

"While I am once again pleased to announce another year of improvement in the group's operating profit, I am particularly encouraged by a £20.4m increase in the profit before tax."

He added: "The reported turnover figure of £249m does not reflect certain property disposals that took place during the year and which made a healthy contribution to the group's overall result."

Seven months into the new financial year, Mr Murray said profits were ahead of last year.

MIH has been expanding at a rapid pace, and is aiming to be a £1 billion business in three years' time. Last month, Mr Murray strengthened his metals operation with the multi-million pound acquisition of west coast firm Ireland Alloys. Capital-based Murray Metals Group said it would gain 40 staff and a company with an "excellent reputation worldwide" as part of the deal.

Ireland Alloys - based in Hamilton - sources and recycles complex alloys and other valuable metals for use in oil and gas production equipment, jet engines and turbines.

Rangers accounts for about a tenth of the Murray empire, outside his core interests of property, private equity, metals and mining.

The businessman has an 86.3 per cent stake in the Ibrox club after buying out Enic Group's 20.2 per cent holding a fortnight ago.