

Advent backs Turkish car fleet firm

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Global private equity house Advent International and its investment partner in the Turkish market, Turkven Private Equity, have led an equity financing for Intercity.

Advent International and Turkven Private Equity have arranged equity backing for the expansion of Turkish car fleet rental company Intercity. The International Finance Corporation (IFC), the German bilateral development agency DEG and the Dutch bilateral development agency FMO acted as co-investors and also provided a \$60 million long-term debt facility to finance the expansion of the company's fleet.

The overall value of the transaction was not disclosed.

Intercity provides fleets of cars to both multinationals operating in Turkey and local conglomerates. The company has a staff of 90 and a fleet of 6,000 cars, which it intends to increase to 10,000 next year.

The equity backers said in a statement that they expected the sector to grow at over 40 percent CAGR over the next few years because of the increase in the use of company cars in the country. Turkven managing director Seymour Tari said in an interview with PEO that the company hoped to maintain a 20 percent market share as the sector grows, and to expand its fleet to around 40,000 cars.

Turkven is a Turkish private equity fund that raised a \$44 million debut fund in 2002. Its investors, including the IFC, FMO and DEG, provide both debt and equity capital, which the firm says assists in the structuring of leveraged deals. The firm previously worked with Advent, when the two houses backed the buyout of bread company UNO Bakery from Dogus Holdings in 2003.

Advent is a global private equity firm, operating from offices in 13 countries in Europe, the Americas and Asia. Its deals last year included the €280 million buyout of Bulgarian telecommunications company BCT, and a joint acquisition with The Carlyle Group of German plastics manufacturer HT Troplast in a €300 million transaction.

Advent and Turkven are currently making a joint bid for Digiturk, Turkey's largest pay-TV operating company.