

Risk Capital buys control of Patisserie Valerie

London's best known patisserie chain, Patisserie Valerie, has been bought by private equity firm Risk Capital Partners, with a view to taking the business national.

Patisserie Valerie was established in 1926 in Soho, and has grown steadily over the years to 8 company owned sites in central London, including Marylebone, Chelsea, Kensington and Piccadilly. They provide light meals and are all open throughout the day, seven days a week. The newest location is a flagship branch in Spitalfields market in the City, which opened late last year in the Pavillion Building, designed by Sir Norman Foster.

The business projects revenues in excess of £8 million. Two of the current owners, Victor and Robert Scalzo, are remaining with Patisserie Valerie and will retain minority stakes. Luke Johnson, now Chairman of Patisserie Valerie and Risk Capital Partners, is enthusiastic about the investment: "We have significant experience of rolling out successful food and drink concepts, including PizzaExpress, Strada and Giraffe. Patisserie Valerie is a much loved institution with tremendous heritage. We are confident there are many upscale locations across Britain's cities that would love the authentic pastries, cakes and savouries supplied by Patisserie Valerie. Diners increasingly want to graze rather than eat heavy, formal meals. And with everything in a Patisserie Valerie freshly baked in its own kitchens, we believe the business has a winning formula for customers who increasingly seek quality."

Patisserie Valerie prepares virtually all its products in-house using traditional methods of preparation. It even makes its own ice cream and chocolate, and is one of the London's largest suppliers of cakes for weddings and other special occasions.

This is the second food and drink investment made by Risk Capital Partners recently. Last week it took a significant minority stake in the UK's largest independent supplier of fish to the catering trade, Seafood Holdings.

Notes to editors:

Risk Capital Partners is a specialist private equity firm with particular expertise in the restaurant and retail sectors. Significant investments include ladies fashion retailer East, restaurant chain Giraffe, and GRA – the Greyhound Racing Association. In the last 18 months Risk Capital has successfully sold Integrated Dental Holdings, Mayfair Bingo and Signature Restaurants for attractive returns.

Advisers on the deal:

Risk Capital Partners Ltd

Legal: Tom Leman – Pinsent Masons

Financial Due Diligence: Andrew Thomson – Hurst Morrison Thomson

Property: Ian Gill – Blake Laphorn Linnell

Bankers: Mick Norman - HSBC