

# terra firma

Creating value.  
Building better businesses.  
**Annual Review**

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# 2018

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TERRA FIRMA

**CREATING VALUE.  
BUILDING BETTER  
BUSINESSES.**

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## LETTER FROM GUY HANDS CHAIRMAN & CHIEF INVESTMENT OFFICER



**June 2019**

Dear Stakeholder,

Welcome to the latest Annual Review of Terra Firma and its portfolio businesses. 2018 was a year in which we focused on exiting our existing portfolio businesses and returning funds to our investors. It was also a year where we made some changes that better reflect our current direction and set our firm up for future successes.

Terra Firma has approached uncertainty by looking for and unearthing opportunity; building better businesses in the midst of challenge is how we create value and has been baked into our investment model since our founding in 1994. While 2018 presented a number of challenges for the firm, we can look back on it as one of the most active and forward-focused years in our recent history.

Over the course of the year, we achieved a position where all of the portfolio businesses in which Terra Firma Capital Partners II and Terra Firma Capital Partners III invested have either been sold or are in the advanced stages of a sales process. As Head of Portfolio Businesses, Justin King's role was to optimise the performance of our portfolio businesses and position them for exit. This is now substantially complete and Justin's departure at the end of 2018 marked what we agreed was a natural change for our organisation. He now serves as Executive Chairman of Wyevale Garden Centres and Chairman of our 24 bank-financed care homes which are operated under the brighterkind brand. In these roles, he works to execute exits of the investments in the near term and at the best possible valuation. Justin has retained his responsibilities as Vice Chairman and is a Senior Adviser to the firm. He also remains on the board of a number of other businesses including Annington.

2018 began with Vivek Ahuja joining Terra Firma as a Partner and assuming the role as Group CFO and COO. Andrew Miller also joined the Partnership this year. Both Vivek and Andrew have strengthened and added depth and experience to the firm.



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## LETTER FROM THE CHAIRMAN

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In the first half of the year, we sold the stake in AMC Entertainment which we received on the sale of Odeon & UCI, marking the exit of our final Terra Firma Capital Partners II investment. We also launched sales processes for our Australian agrifood business, CPC, and for our UK-based garden retail business, Wyevale Garden Centres. Recognising that we could maximise value by selling CPC's stations and WGC's sites on an individual basis, by the end of 2018 we had sold one CPC station and 40 WGC sites. So far in 2019, we have agreed to sell six more CPC stations and more than 40 WGC sites, and continue to evaluate incoming offers.

We successfully completed the sale of EverPower, our US wind energy business, as two separate portfolios to BlackRock Real Assets and innogy SE. We also completed the sale of RTR, our Italian renewable energy business, to F2i, the Italian infrastructure investor.

Over the course of the year, we have returned €358 million to our investors.

A clear priority over the past two years has been the restructuring of the bond-financed part of Four Seasons Health Care and that continues. This process has been controlled by the group's bondholders, and recently saw the launch of a sales process for this part of the group. We support its aims in the best interests of residents, colleagues and other stakeholders. During the year we obtained a favourable outcome in the High Court rectification case in respect of the separate group of 24 brighterkind care homes, though this remains subject to appeal. We have received significant interest in this group, and have launched a sales process to realise this investment.

Since its landmark £4 billion refinancing in 2017, Annington has completed two forward-funding transactions and a portfolio acquisition for a combined consideration of approximately £125 million, adding a total of 384 units to its private rental sector portfolio. The success of Annington has been significant for our investors in Terra Firma Special Opportunities Fund I and Terra Firma Special Opportunities Fund II and is a testament to the tenacity, creativity and depth of the team that oversees this business.

At Welcome Hotels, our collection of three- and four-star hotels in Germany, we have opened our new site at Neckarsulm and have driven operational improvements through conducting site-by-site analyses and strengthening management.

In the autumn, we led a consortium in acquiring Parmaco, a fast-growing Finnish company that designs, builds and rents pre-fabricated modular buildings for use as day care centres, schools, nursing homes and office spaces. We anticipate investing significant capital in the business to further develop the asset base.

Over the course of the year,  
we have returned €358 million  
to our investors

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## LETTER FROM THE CHAIRMAN

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It's worth noting that we worked on two very large deals in 2018. One was a potential public-to-private transaction in flexible workspaces. In the other, we were the final under-bidder on Network Rail's 5,000+ site UK commercial property portfolio, a deal where an impressive equity consortium journeyed alongside us during a highly competitive process. While we did not win in the end, by actively pursuing these deals we demonstrated our ability to compete effectively. The deals also reaffirmed what we see as a change to the traditional private equity investment model, with a focus on individual deals structured to maximise returns, achieve alpha and give greater control and flexibility to the investor. Looking for more great opportunities and stronger, more equitable partnerships for investing will be a priority for Terra Firma in 2019.

During 2018, we continued our commitment to supporting good causes, with Terra Firma Capital Partners donating 10 per cent of its annual pre-tax profits to charitable organisations. One of these, Autistica, is a London-based research charity that funds and promotes ground-breaking medical research, improves the understanding of autism, and advances new therapies and interventions. You can read more about Autistica's work on page 46. Since 2002, when Terra Firma was formed, we have given more than £4.5 million to charitable causes. The Terra Firma Charitable Trust has made commitments of around £2.7 million to charities in the UK, many of which directly support the London Borough of Southwark where our London office is located, and we have given over £800,000 to local causes supported by our Guernsey office. We have also made donations totalling more than £1 million to Impetus, a charity with close links to the UK's private equity industry, and of which we are a founding member.

I continue to be negative on the political outlook for the UK. Economically, 2018 will be remembered for its extreme volatility. I said that 2017 was characterised as a year of a surprising lack of volatility despite the tumultuous political and social climate. By contrast, 2018 seems to have been the year that the markets finally aligned with our unstable world, driven by concerns over geopolitical dysfunction, global economic shutdown, fear of inflation, and increased insight into the failures of regulation and security in the technology industry.

Yet, I am excited by our start to 2019. With a determined team that has sharpened the front end of its deal-doing, we are solely focusing on doing what we do best: buying businesses with potential, unlocking their value and maximising returns quickly and efficiently. We will continue to pursue transformational private equity opportunities within Western Europe that are suited to Terra Firma's hands-on, operationally intensive strategy.

I would like to thank you for your continued support of Terra Firma during 2018 and I look forward to continuing our relationship with you in the coming years.

**With best wishes,**

**Guy Hands**

Chairman & Chief Investment Officer

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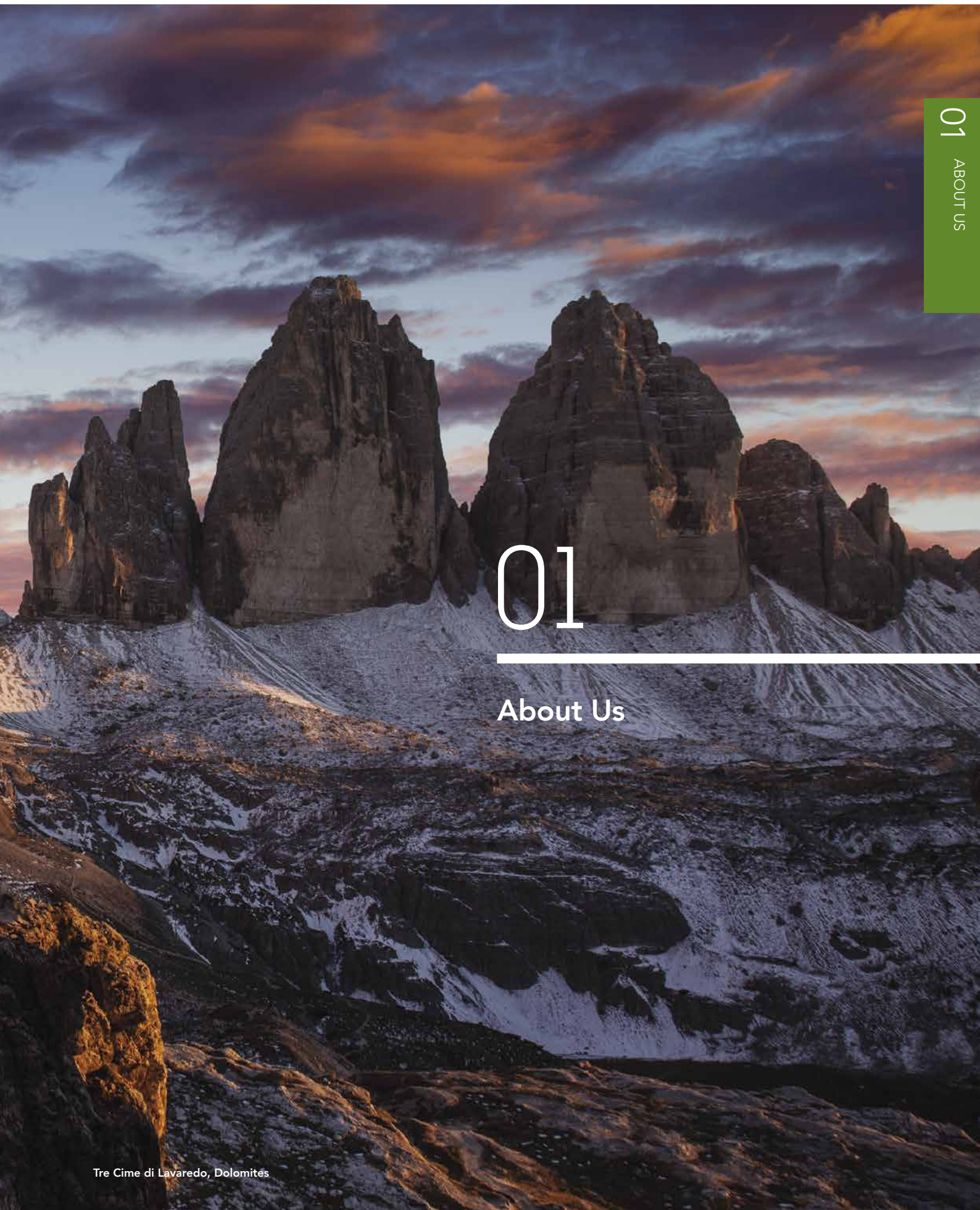
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Laghi dei Piani, Dolomites



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# 01

## About Us

Tre Cime di Lavaredo, Dolomites

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## SUMMARY

# CREATING VALUE. BUILDING BETTER BUSINESSES.

Terra Firma is a leading European private equity firm

Since 1994, we have sought to create value for investors using a strategic, operationally focused and creative approach to building better businesses.

We have invested over €17 billion of equity in 34 businesses with an aggregate enterprise value of €47 billion.

Our investment strategy is sector agnostic. We search for asset-backed businesses with robust underlying demand that are in need of change and we have found them in a range of industries.

Today, we serve over 180 investors representing a wide range of institutions and individuals from around the world.

We are a large investor in each of the funds we manage, and we strive to align our interests with those of our investors and the leaders of our portfolio businesses.

### BETTER BUSINESSES BUILD BETTER SOCIETIES

In a rapidly changing environment, it is vital that businesses benefit all of their stakeholders if they are to continue to raise living standards and create prosperity for future generations.

We believe that the consideration of environmental, social and governance issues is a fundamental part of good investment practice, and this belief is integrated within our approach to creating value and building better businesses.

We are committed to providing a high level of transparency to our investors and other stakeholders. We seek to provide disclosure in excess of the Private Equity Reporting Group Guidelines and promote transparency in our portfolio businesses.

A reference to 'Terra Firma' means, prior to 27 March 2002, the former Principal Finance Group of Nomura International plc and, post 27 March 2002, as the context requires, Terra Firma Holdings Limited, Terra Firma Capital Partners Limited, Terra Firma Capital Management Limited and any of their affiliates



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## ABOUT US

### OUR BUSINESS AT A GLANCE

# TERRA FIRMA

**24-year**  
investment  
track record

**34**  
private equity  
investments

**€47bn**  
Aggregate enterprise  
value of the businesses in  
which we have invested

**€17bn**  
of equity invested

**€14bn**  
of capital expenditure  
invested within  
Terra Firma's portfolio

**70+**  
'bolt-on' acquisitions  
to drive growth

### A DIVERSE TEAM TO SUPPORT OUR European focus



A TEAM OF  
**70** PEOPLE  
IN LONDON,  
GUERNSEY  
AND BEIJING



OUR  
COLLEAGUES  
COME FROM  
**17** COUNTRIES...



...AND SPEAK **16**  
LANGUAGES

### INVESTMENT CRITERIA

We look for businesses that are:



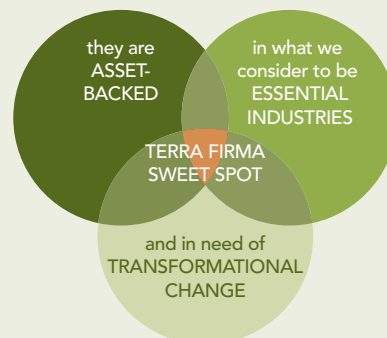
Orphaned



Undermanaged



Misunderstood



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## ABOUT US

### OUR AREAS OF INVESTMENT FOCUS

We have four key areas of investment focus:

TRANSFORMATIONAL PRIVATE EQUITY	Building better businesses and creating value
OPERATIONAL REAL ESTATE	Professionalising the management of real estate assets
INFRASTRUCTURE 'PLUS'	Unlocking infrastructure value through operational excellence
SUPPORT CAPITAL	Providing flexible funding solutions for capital-constrained businesses

### OUR APPROACH

We invest in businesses that are asset-backed, in essential industries and in need of transformational change.

Our goal is to generate attractive returns by acquiring businesses and transforming their strategy, operations, finances and management.

We aim to build better businesses, and we have the capabilities and resources to take a fully interventionist approach, if required, in order to support change and enable a business to meet its potential.

#### ASSET-BACKED

We look for asset-backed businesses as they help protect the value of our investments and provide a stable platform for growth.

Terra Firma was among the pioneers of asset-by-asset analysis in the 1990s and we continue to use this approach today.

#### ESSENTIAL INDUSTRIES

We do not target specific industries, but look for the opportunity to invest in businesses with robust underlying demand.

We have invested in businesses across a wide range of industries, such as energy and utilities, infrastructure, affordable housing, leisure and hospitality, agriculture, healthcare and asset leasing.

#### REQUIRING TRANSFORMATIONAL CHANGE

We have a strong record of building better businesses. We do this by developing new strategies, investing significant amounts of follow-on capital and dramatically improving operational performance.

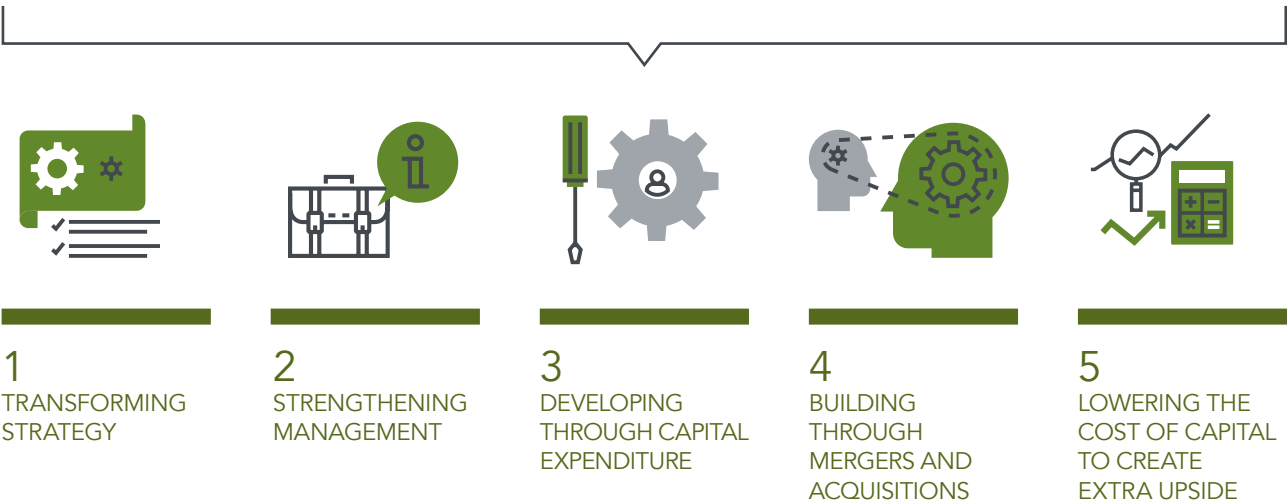
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## ABOUT US

### VALUE CREATION PROCESS

We invest in businesses where we see opportunities to apply our drivers of value creation, and we seek to implement them by working in very close partnership with those businesses.

### OUR FIVE VALUE DRIVERS



#### TRANSFORMING STRATEGY

We invest where we see potential. This may involve implementing a new business model, repositioning a business within its industry, growing it through acquisitions or diversifying its markets.

#### STRENGTHENING MANAGEMENT

Executive management is a key partner in every transformation. We believe that management should be properly incentivised and aligned with Terra Firma and our investors. We support our businesses by working very closely with them throughout the ownership period.

#### DEVELOPING THROUGH CAPITAL EXPENDITURE

We are keen to invest further capital in our businesses to transform them. Capital investment is controlled by Terra Firma using strict return criteria to ensure that new capital is deployed in the most value-accretive way.

Businesses under our ownership have invested more than €14 billion in capital expenditure.

#### BUILDING THROUGH MERGERS AND ACQUISITIONS

We look to grow our businesses through acquisitions. Our team has the ability and experience to efficiently execute and integrate new acquisitions.

Since 1994, we have executed more than 70 additional bolt-on acquisitions through our 34 portfolio businesses.

#### LOWERING THE COST OF CAPITAL TO CREATE EXTRA UPSIDE

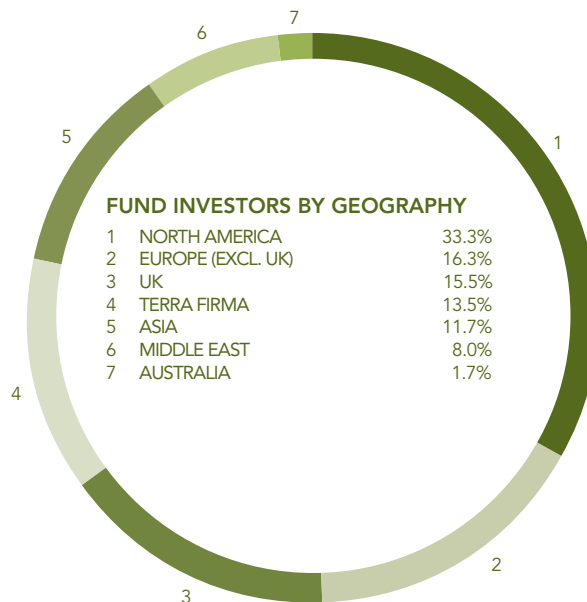
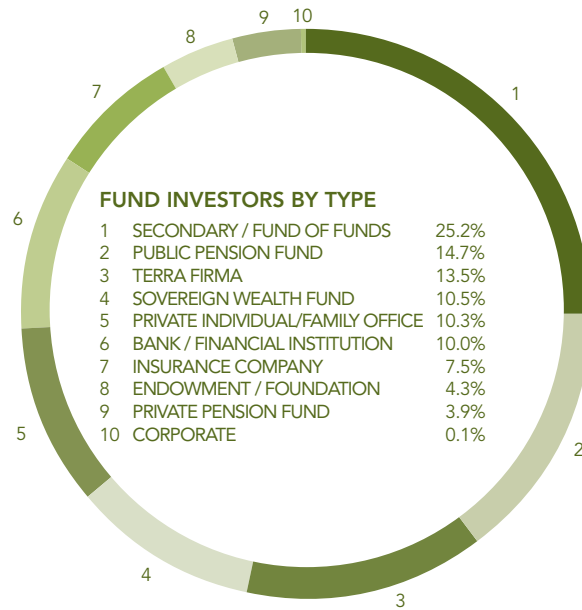
We look to lower the cost of capital within our businesses and to ensure that they have the most appropriate financing in place.



## ABOUT US

### OUR INVESTORS

We are long-term investors, working on behalf of more than 180 organisations including pension funds, investment funds, sovereign wealth funds, endowments and family offices. Our investors are based all around the world.



Terra Firma invests on behalf of a wide range of organisations

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ABOUT US

Terra Firma 2018 HIGHLIGHTS

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new Partners appointed



sold more than 40 sites during the year

€339m

returned to investors

€19m

returned to co-investors



completed the acquisition of Parmaco, a Finnish provider of modular buildings



completed the sale of EverPower as two separate portfolios

6

new Graduate Analysts joined Terra Firma



completed the sale of RTR

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## Our Portfolio

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OUR PORTFOLIO

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EXITS IN 2018



Terra Firma transformed EverPower into one of the top wind energy producers in the US

**Acquired:** 2009  
**Exited:** 2018

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## OUR PORTFOLIO

### IN 2018, TERRA FIRMA COMPLETED THE SALE OF EVERPOWER'S 752 MW OPERATING PORTFOLIO AND 2+ GW DEVELOPMENT PIPELINE

#### BUSINESS DESCRIPTION

In 2009, Terra Firma purchased EverPower, a development-focused business with a single 62 MW operating site. Over the subsequent nine years, Terra Firma worked with the management team to transform EverPower into a utility-scale owner and operator of wind generation assets totalling 752 MW over seven sites across the USA, and a high quality developer with a project pipeline of more than 2 GW.

#### INVESTMENT RATIONALE

Terra Firma saw the opportunity to scale-up an operating and development business with the support of state and federal incentives.

#### CREATING VALUE

Under Terra Firma's ownership, EverPower invested more than \$500 million in acquisitions and the construction of new wind farms, creating a large-scale, high quality operating platform. At the same time, the development business was expanded significantly.

#### SALE

In early 2018, Terra Firma completed the disposal of EverPower's 752 MW portfolio of operating wind farm assets to a fund managed by BlackRock Real Assets.

This was followed in July 2018 by the sale of EverPower's development operations and pipeline of more than 2 GW to innogy.

The decision to sell EverPower as two separate portfolios reflected the strength of each unit and delivered the highest value to investors.

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OUR PORTFOLIO

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# EXITS IN 2018



In RTR, Terra Firma created one of Europe's leading solar photovoltaic operators

**Acquired:** 2011  
**Exited:** 2018



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## OUR PORTFOLIO

### TERRA FIRMA BUILT RTR INTO AN INDUSTRY-LEADING OPERATOR AND SUCCESSFULLY SOLD THE BUSINESS IN 2018

#### BUSINESS DESCRIPTION

In 2011 Terra Firma acquired RTR, a 144 MW capacity portfolio of newly- and partially-developed solar photovoltaic ("PV") plants across Italy, from the Italian high-voltage grid operator.

Under Terra Firma's ownership, RTR completed eight further acquisitions, and more than doubled in size to 334 MW of operating capacity across 134 sites in Italy, growing the business into one of the leading PV operators in Italy and among the largest in Europe.

#### INVESTMENT RATIONALE

RTR offered the opportunity to create a market-leading infrastructure business through consolidation and professional management. RTR also benefited from highly predictable long-term cash flows and was well positioned to benefit from technological progress and long-term government incentives for renewable energy sources.

#### CREATING VALUE

Using experience gained through its other renewable energy investments, Infinis and EverPower, Terra Firma and the RTR team grew the asset base significantly, pioneered the use of very granular operating monitoring systems, and created a business and a platform with exceptional operating performance.

#### SALE

After a record power generation performance in 2017, Terra Firma put RTR up for sale in early 2018. Following an auction process, RTR was successfully sold to a fund managed by F2i in October 2018.

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## OUR PORTFOLIO

# OUR CURRENT PORTFOLIO



Based in Finland, Parmaco manufactures and leases modular buildings for clients such as schools and day care centres

**Location:** Finland  
**Acquired in:** 2018  
**Owned by:** TFSOFIV and co-investors



Annington is one of the UK's largest residential property owners, with more than 40,000 homes. It was set up by Terra Firma in 1996 to invest in the MoD's Married Quarters Estate

**Location:** UK  
**Acquired in:** 2012  
**Owned by:** TFSOFI, TFSOFII and co-investors



CPC is a leading Australian cattle business, with a carrying capacity of more than 350,000 head across its cattle stations in Australia and two feedlots in Indonesia

**Location:** Australia/Indonesia  
**Acquired in:** 2009  
**Owned by:** TFCP III



**Four Seasons**  
HEALTH CARE

One of the UK's largest care home groups, operating more than 300 sites over three complementary businesses: Four Seasons Health Care, brighterkind and The Huntercombe Group

**Location:** UK  
**Acquired in:** 2012  
**Owned by:** TFCP III



A hotel chain, with 13 modern sites across Germany, catering to business and leisure customers

**Location:** Germany  
**Acquired in:** 2016  
**Owned by:** Terra Firma



The leading UK garden centre operator offering a high quality horticultural service, food & beverage outlets and a destination shopping experience

**Location:** UK  
**Acquired in:** 2012  
**Owned by:** TFCP III

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OUR PORTFOLIO

ACQUIRED IN 2018



**Parmaco is a leading Finnish provider of modular buildings**

YEAR END: 31 DECEMBER	2018
Rental revenue	€40m
Team members	210
Leased space	192,000 m <sup>2</sup>



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## OUR PORTFOLIO

# 192,000m<sup>2</sup>

SPACE LEASED  
TO CUSTOMERS

### BOARD & LEADERSHIP TEAM

**Ossi Alastalo**  
(CEO)

**Jukka Luoma**  
(CFO)

**Juha Antola**  
(COO)

**Vivek Ahuja**  
(Terra Firma)

**Sophie Blackburn**  
(Terra Firma)

**Robin Boehringer**  
(Terra Firma)

**Peter Cornell**  
(NED)

**Lukas Zeitlberger**  
(NED)

### BUSINESS DESCRIPTION

Parmaco is a Finnish business which manufactures high quality modular buildings and leases them to end users, typically for use by clients such as schools and day care centres. Parmaco's buildings provide a cost-effective and environmentally sustainable solution for customers' building needs.

At the end of 2018, Parmaco had approximately 200 purpose-built buildings on lease to a wide range of customers.

### INVESTMENT RATIONALE

Terra Firma and co-investors acquired Parmaco in 2018, in order to support the growth potential of the business, both in Finland and other markets. The strong product offering gives Parmaco the opportunity to grow its installed base significantly over the coming years.

### CREATING VALUE

Parmaco, in collaboration with Terra Firma, has made good early progress in further developing the business in line with its investment plans. The team continues to focus on delivering sustainable solutions to an increasing number of customers and has strengthened the operational and financial structure of the business.

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## OUR PORTFOLIO



Annington is one of the largest private owners of residential property in the UK

YEAR END: 31 MARCH	2018	2017
Rental income	£193m	£188m
Team members	38	37
Properties sold	121	248

As Annington has issued listed bonds, Terra Firma does not publish non-public financial information

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## OUR PORTFOLIO

# >40,000

HOMES IN  
ANNINGTON'S PORTFOLIO

### BOARD & LEADERSHIP TEAM

**James Hopkins**  
(CEO)

**Andrew Chadd**  
(CFO)

**Nick Vaughn**  
(Commercial Director)

**Baroness Liddell**  
(Chair)

**Jos Short**  
(Vice Chair)

**Vivek Ahuja**  
(Terra Firma)

**Justin King**  
(NED)

### BUSINESS DESCRIPTION

Annington was created in 1996 to acquire 57,000 units which comprised the Married Quarters Estate ('MQE') from the Ministry of Defence ('MoD').

The MoD leases those properties back from Annington until it opts to hand them back as surplus to its requirements. Annington may then sell those released properties or re-let them on the open market. Today, Annington owns around 40,000 units, the majority of which remain leased to the MoD.

### INVESTMENT RATIONALE

Annington's acquisition of the MQE made it one of the largest private owners of residential property in the UK, with a very diverse property portfolio and a uniquely attractive tenant.

### CREATING VALUE

As the MoD releases properties, they are refurbished and rented or sold by Annington. Annington sells properties primarily into the UK's 'key workers' market, where there has been a long-term shortage of supply.

With the types of properties that Annington owns, the location and environment are very important and it dedicates substantial investment to creating an attractive environment and 'street scene' around the properties.

Following a successful £4 billion refinancing in 2017, Annington is well placed to further develop its private rental sector business. In 2018, it completed three acquisitions, adding over 380 homes to its portfolio.



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## OUR PORTFOLIO



**Consolidated Pastoral Company is the largest privately owned beef producer in Australia**

YEAR END: 31 MARCH	2018	2017
Revenue	A\$128m	A\$110m
Team members	361	345
Cattle sold	86,000	73,000



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## OUR PORTFOLIO

# 4.7 million

HECTARES OF LAND  
IN AUSTRALIA

### BOARD & LEADERSHIP TEAM

**Troy Setter**  
(CEO)

**Jim Hunter**  
(CFO)

**Mark Bahen**  
(Chair)

**Margaux Beauchamp**  
(NED)

**David Browne**  
(Terra Firma)

**Peter Dixon**  
(NED)

### BUSINESS DESCRIPTION

Consolidated Pastoral Company ('CPC') is the largest privately owned beef producer in Australia and one of the largest globally. Its operations include breeding, grass and grain-feeding cattle and domestic and live export sales from a portfolio of cattle stations in northern Australia and two feedlots in Indonesia. Its properties have capacity to hold more than 350,000 head of cattle.

### INVESTMENT RATIONALE

Terra Firma acquired CPC in 2009, with an investment thesis founded on strong macroeconomic themes. Demand for protein continues to increase in the region due to a growing population and changing diets in developing Asian economies. As one of the few major disease-free beef exporters in the world, Australia has access to markets which are restricted to other international suppliers.

### CREATING VALUE

Under Terra Firma's ownership, CPC has repositioned itself to be a customer-focused marketer of beef, as well as a highly productive cattle producer and a leader in operations and genetics. CPC has undertaken significant capital investment to improve its cattle stations and increase their productivity, as well as improving its portfolio through a number of station acquisitions and disposals. It also increased its stake in its Indonesian joint venture.

### SALE

In 2018, Terra Firma launched a sales process for CPC and there has been considerable interest in these assets. One station was sold in 2018 and further disposals have been agreed in 2019. Terra Firma expects to complete more sales during 2019.

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## OUR PORTFOLIO



brighterkind



02 OUR PORTFOLIO

Four Seasons Health Care is a leading UK provider of elderly and specialist care

YEAR END: 31 DECEMBER	2018 <sup>1</sup>	2017 <sup>1</sup>
Revenue	£635m	£660m
Team members	21,900	23,200
Beds	16,100	16,400

<sup>1</sup> Results for the bond-financed group only. As Four Seasons has issued listed bonds, Terra Firma does not publish non-public financial information

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## OUR PORTFOLIO

# c.320

SITES ACROSS THREE  
COMPLEMENTARY  
SERVICES

### BOARD & LEADERSHIP TEAM

**Tim Hammond**  
(CEO – FSHC)

**Valerie Michie**  
(CEO – THG)

**Jeremy Richardson**  
(CEO – brighterkind)

**Ben Taberner**  
(Group CFO)

**Dr Claire Royston**  
(Group Medical Director)

**Justin King**  
(Chair, brighterkind bank group)

**Stephen Julius**  
(NED, brighterkind bank group)

**Ryan Macaskill**  
(Terra Firma, brighterkind bank group)

**Greg Newman**  
(Terra Firma, brighterkind bank group)

### BUSINESS DESCRIPTION

Four Seasons Health Care ('Four Seasons' or the 'Group') is one of the UK's largest providers of elderly and specialist care.

Terra Firma led a strategic realignment in the mental health, brain injury and neurodisability care provided by The Huntercombe Group ('THG'), and refocused the care home division into two brands. The Four Seasons Health Care ('FSHC') business now provides care with a focus on dementia, and the new brighterkind business provides private residential and nursing care services. New teams were recruited and bolt-on acquisitions were made to grow the brighterkind brand.

### RESTRUCTURING

For some time, Terra Firma and the Group have been clear that, given the challenges faced in the sector, the capital structure of the bond-financed part of the Group was not suitable for the long-term needs of the business. Since late 2017, the bond-financed part of the business has been in discussions with its largest creditor to deliver a restructuring of its capital structure. Terra Firma continues to support that aim, which is in the best interests of the business, its residents and other service users, colleagues and other stakeholders.

### RECTIFICATION

In 2017, the parent of the Group made a claim before the High Court to rectify errors in certain security documents relating to its bond issuance, which mistakenly gave the bond-financed group security over a separately-financed group of 24 homes which trade as part of the brighterkind business.

In June 2018, the High Court allowed that claim and rectified these errors, thus reaffirming Terra Firma's ownership of these 24 bank-financed homes. However, that decision has been appealed, and so remains subject to the result of a Court of Appeal hearing.

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## OUR PORTFOLIO



Welcome Hotels is a portfolio of modern, well-maintained three- and four-star hotels across Germany

YEAR END: 31 DECEMBER	2018	2017
Revenue	€56m	€55m
Team members	1,079	975
Rooms sold	364,000	351,000



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## OUR PORTFOLIO

364,000  
GUEST NIGHTS

### BUSINESS DESCRIPTION

Welcome Hotels has 13 modern three- and four-star hotels in Germany catering to a mixed client base of business and leisure customers. The hotels are located in smaller cities, largely in the west of Germany.

### INVESTMENT RATIONALE

In 2016, Terra Firma acquired Welcome, a portfolio of 12 hotels. The hotel market in mid-tier German cities is fragmented, consisting primarily of sub-scale independent groups. This was identified as an opportunity to expand Welcome Hotels' presence across the region. Welcome Hotels had not been the primary focus of its previous owners, and Terra Firma identified significant scope to develop the brand and increase its operational performance.

### CREATING VALUE

Welcome Hotels has been strengthened through a new corporate office, and through developing a customised strategy and service offering for each hotel. A maintenance and capital expenditure programme has been put in place to refresh the hotel portfolio, enhance the customer experience and drive operational improvement.

In 2018, a new 160-bed hotel was opened in Neckarsulm, a town near Stuttgart. The business continues to see further development investment opportunities.

### BOARD & LEADERSHIP TEAM

**Karl Schattmaier**  
(CEO)

**Dr. Christoph Scherk**  
(CFO)

**Robin Boehringer**  
(Terra Firma)

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## OUR PORTFOLIO



**Wyevale Garden Centres  
is the largest garden  
centre business in the UK**

YEAR END: 31 DECEMBER	2018	2017
Revenue	£232m	£337m
Team members	3,779	6,293
Concessions	436	636

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## OUR PORTFOLIO

# 40 SITES

SOLD THROUGH A  
SALES PROCESS IN 2018

### BOARD & LEADERSHIP TEAM

**Justin King**  
(Executive Chair)

**Anthony Jones**  
(COO)

**Charlotte Broadbent**  
(Terra Firma)

**Rupert Gavin**  
(NED)

### BUSINESS DESCRIPTION

Wyevale Garden Centres ('WGC') is one of the largest plant- and garden-focused retailers in the UK. The business has a horticultural history of more than 80 years, and this remains a focus, together with offering customers on-site food & beverage outlets, and generating lease income from concession space which is let to third-party retailers.

### INVESTMENT RATIONALE

Terra Firma acquired WGC in 2012, having identified the opportunity to improve its operational performance and broaden the customer proposition. As the leading operator in a highly fragmented UK industry, the business also presented the opportunity to grow by acquisition from its original portfolio of 129 garden centres.

### CREATING VALUE

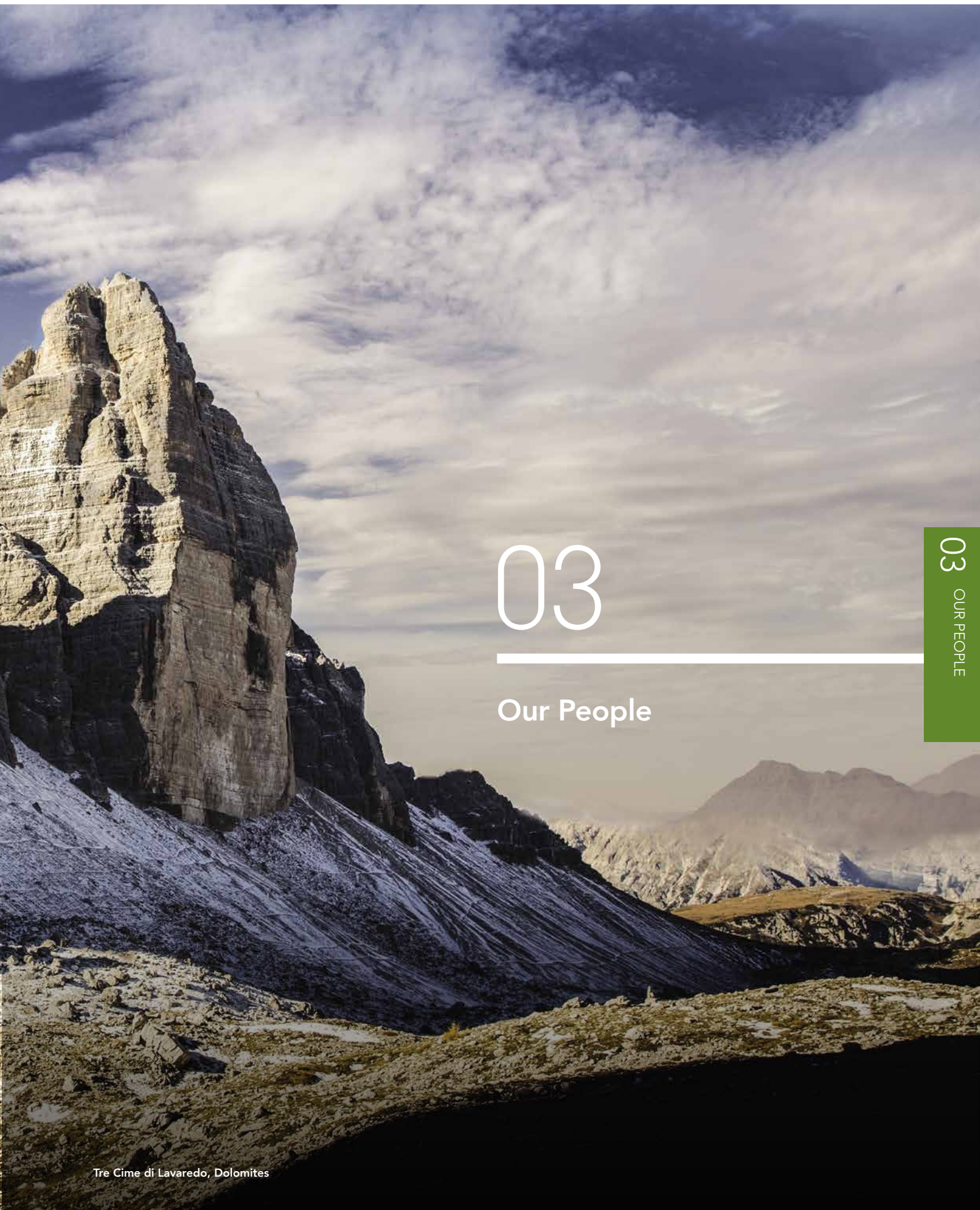
Since 2012, the business has conducted a wide-ranging refurbishment process, and has broadened the customer offering through adding over 200 new concessions to its stores and through the creation of new restaurant and cafe offerings. The business also added more than 20 new sites through a series of bolt-on acquisitions.

### SALE

After conducting an extensive review of the portfolio and considering potential exit options, Terra Firma launched an asset-by-asset sales process for the business in 2018. Over the course of 2018, 40 sites were sold, and the process has continued into 2019, with all sites expected to be sold during the year.



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# 03

## Our People

03 OUR PEOPLE

Tre Cime di Lavaredo, Dolomites



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## OUR PEOPLE

# OUR ORGANISATION

### AN INSTITUTIONALISED ALTERNATIVE INVESTMENT PLATFORM

We have a diverse team of about 70 colleagues, drawn from many different nationalities and backgrounds. These professionals are based in Terra Firma's offices in London, Guernsey and Beijing. What we have in common is a fascination for businesses and a drive to make them the best that they can be.

Our teams are flexible, driven by specialists at each stage, from initial sourcing through to investment acquisition, operational transformation, monitoring and eventual exit, allowing us to draw on our multi-disciplinary expertise throughout the investment lifecycle.

Our Transaction Team specialists source opportunities, and identify possible strategies, acquisitions, refinancing and exit opportunities, while our Support Capital team brings credit structuring expertise. Many of our colleagues have extensive prior investment experience and this is combined with talent that we develop internally through our Graduate Analyst Programme.

Our Portfolio Business Operations colleagues drive the identification of new strategies and initiatives during the evaluation of a potential new investment and then lead post-acquisition improvement programmes for strategic and operational change.

Our Legal, Tax and Finance teams have extensive experience in transactions, legislation and regulatory issues, and enable us to handle complex transactions. These teams are supported by our HR, IT and Facilities Management experts to enable consistent high performance for our organisation as a whole.

Our Investor Relations team manages our relationships with current and potential investors in our funds.

Terra Firma also works with a range of senior advisers with expertise in particular industries, functions and disciplines. Many of our external advisers have a long-term relationship with our firm, and a number have held senior positions within Terra Firma itself or within our portfolio businesses.

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## OUR PEOPLE

### EMPLOYEE TRAINING AND DEVELOPMENT

Our training and development programme is designed to develop our colleagues so that they have the skills they need to help our business achieve its strategic goals and to help them progress their careers.

Throughout our business, we encourage our people to take responsibility for their own personal and professional development.

That development can take many forms such as on-the-job coaching, mentoring and job enrichment as well as formal training programmes, courses and professional qualifications. Terra Firma has a policy of supporting employees in pursuing qualifications that will help their work and career development.

The nature of the professional training within Terra Firma is broad, depends on the development needs of the individual and can include both technical and soft skills-based training.

Terra Firma also offers internship opportunities to undergraduate and postgraduate students, allowing individuals to gain an insight into life at work.

### OUR GRADUATE ANALYST TRAINING PROGRAMME

In 2009, Terra Firma hired six entrants onto its inaugural two-year Graduate Analyst Training Programme, and this has since been extended to a three-year scheme.

The rotational programme gives graduates a unique perspective on the private equity industry. Analysts learn about all aspects of Terra Firma and they complete rotations with Investor Relations, Finance, Legal, Transaction teams and the CIO office.

Graduates spend time working within one or two portfolio businesses, which is key to understanding how our businesses operate and appreciating the challenges they face.

We welcomed six new graduates onto our Graduate Analyst Training Programme in 2018 and, of our current colleagues, 20 joined us via the Analyst programme.

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## OUR PEOPLE

# PARTNERS AND MANAGING DIRECTORS



### Guy Hands

Chairman & Chief Investment Officer

Guy has been a creative and influential investor for over 30 years. He is considered one of the pioneers of securitisation, having completed one of the first CBOs and the first AAA securitisation of a retail business with Saks Fifth Avenue while at Goldman Sachs. Guy also led numerous innovative securitisations in the UK pub, rail and housing sectors at Terra Firma's predecessor, the Principal Finance Group ('PFG').

Guy founded PFG at Nomura International plc in 1994 before spinning out the independent private equity firm Terra Firma in 2002. Over the past 24 years, he has overseen the investment of €17 billion of equity in 34 businesses with an aggregate value of €47 billion.

Guy established Terra Firma Capital Partners Limited's commitment to donate 10% of annual pre-tax profits to local initiatives in London, while Terra Firma Capital Management Limited supports numerous charities in Guernsey. He is also President of 'Access for Excellence', which promotes access to higher education.

Guy sits on the board of each Terra Firma fund's General Partner, which is responsible for signing off on all fund decision-making. He also provides creative insights into potential acquisitions and develops business strategies for the portfolio businesses.



### Vivek Ahuja

Partner, Group Chief Financial Officer & Chief Operating Officer

Vivek has three decades of experience in global finance and over 20 years in senior CFO roles. He has led successful business and functional transformations and has worked across Asia, the Middle East and Europe with major global financial institutions.

Vivek is responsible for the overall financial management of the firm at a Group level and of its portfolio businesses, also supporting the firm on the financial aspects of acquiring and selling businesses to ensure the delivery of maximum returns to investors. He sits on the board of Terra Firma Capital Partners Limited, the firm's UK advisory entity.

Prior to joining Terra Firma in January 2018, Vivek spent 17 years with Standard Chartered Bank where he was Deputy Group CFO, prior to which he was Group CFO – Wholesale Banking and Regional CFO – Middle East and South Asia.

Vivek is a Fellow of the Institute of Chartered Accountants in England & Wales and was a Council member from 2013 to 2015 and a member of the Financial Services Faculty Board. He is a graduate of Mumbai University in India.

Vivek is married with two daughters and enjoys travelling, running and sport.

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## OUR PEOPLE

# PARTNERS AND MANAGING DIRECTORS



### Andrew Miller

Partner

Andrew joined Terra Firma in 2016 to focus on the operational improvement of the firm's portfolio businesses. He leads our operational involvement in Welcome Hotels and previously acted as a director of CPC and as Chairman of AWAS.

Andrew has extensive experience of successful digital transformation in consumer-facing industries, most recently working with the Founders Forum supporting multinational business on digital transformation.

As Chief Executive of the Guardian Media Group from 2010 to 2015, Andrew reshaped the Guardian's portfolio of businesses to support its transformation into one of the world's leading digital organisations.

From 2002 to 2014, he carried out a similar transformation as Chief Financial Officer and Non-Executive Director of Trader Media Group. Andrew is currently a Non-Executive Director of Ocean Outdoor and previously served on the board of the AA plc. He has previously held senior finance roles at PepsiCo Europe, Procter & Gamble, Bass and a start-up company.

Andrew is a member of the Institute of Chartered Accountants of Scotland, qualifying in 1991, training with Price Waterhouse after completing his law degree at Edinburgh University. He is on the Advisory Board for Sarah Brown's Theirworld charity, and is a Governor at the Benjamin Franklin House Museum.

Andrew is married with three children. His interests include motorsport, skiing and the arts.



### Robin Boehringer

Partner

Robin joined Terra Firma in 2009 and has extensive experience in operational real estate and infrastructure. He leads the firm's private equity teams.

Robin recently led the acquisition of Parmaco and has worked on several of Terra Firma's investments including Deutsche Annington, AWAS, where he led the exit in 2017, Tank & Rast and Welcome Hotels.

Prior to joining Terra Firma, Robin worked in M&A at Credit Suisse.

Robin has a Master's degree in Financial Economics from Oxford University and a Bachelor's degree in Economics from the University of St. Gallen.

Robin speaks German and English. He is married with two children and is a keen football player.



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# PARTNERS AND MANAGING DIRECTORS



### Mark Elliott

Managing Director

Mark joined Terra Firma in January 2018 and is responsible for overseeing and expanding the Support Capital division.

Mark has 20 years' experience in leadership roles across several international financial organisations. Throughout his career, he has specialised in the origination, structuring and execution of complex financial transactions and risk management solutions for companies and institutions.

He joined from Lloyds Banking Group where, most recently, he was Managing Director of Corporate Solutions, Commercial Banking Markets Division. Whilst at Lloyds, he was Managing Director of units including: Real Estate Solutions & Group Risk Advisory, Capital Markets, and Real Estate & Utilities Solutions, Financial Markets. Prior to Lloyds, Mark spent five years at J.P. Morgan, most notably as Vice President of FX, Credit & Rates and Global Relationship Manager, Investor Services. Prior to 1998, he was an Operations Specialist at Deutsche Bank and a Captain in the British Army.

He graduated from University College, Durham University with a BSc Honours degree in Engineering. Mark also has an MSc in Finance (Distinction) from London Business School.

Mark is married with three children. He enjoys fishing, shooting and sailing.



### Paul Spillane

Managing Director & Head of Investor Relations

Paul leads the firm's global Investor Relations team. He also manages relationships with North and South American investors. With over 30 years' experience in the international financial services industry, Paul plays a crucial role in managing relationships with Terra Firma's new and existing investors. Paul is Chair of the Advisory Board for Terra Firma Capital Partners III. His expertise and relationship network are an essential part of Terra Firma's strategy of building closer and stronger relationships with its investors.

Paul joined Terra Firma in 2010. Prior to this, he spent five years as CEO and President of Soleil Securities. He began his career at Goldman Sachs, where he spent 12 years working in the international fixed income and currencies group, managing global interest rate sales.

In 1995, Paul joined Deutsche Bank, where he spent eight years. He started out as Head of Fixed Income Sales in the Americas and a member of the North American management committee. He later moved to the Equities division where he was Head of International Sales in the Americas and a member of the Equities division executive management team. Paul was a founding member of the Deutsche Bank Relationship Management team and managed the group globally.

Paul received a BA from Colby College and an MBA, with Honors, from Columbia University. Prior to studying at Columbia, Paul spent three years as a professional baseball player in the Oakland A's organisation.

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# PARTNERS AND MANAGING DIRECTORS



### David Browne

Managing Director

David is a Managing Director at Terra Firma with 15 years' experience in private equity and investment banking. Among his responsibilities at Terra Firma, David manages the investment in Australian beef producer, CPC.

Previously a Director at Paine Schwartz, LLC, a US-based fund focused on private equity opportunities in agribusiness, David managed transactions in Europe, the US and Australia.

Prior to Paine Schwartz, David was a Managing Director at GSC Group, where he focused on distressed-for-control investing across a broad range of industries. Earlier in his career, David was an Associate at Lindsay Goldberg and an Analyst in the M&A Group at Credit Suisse.

David holds a Bachelor's degree, summa cum laude and Phi Beta Kappa, in Government from Harvard University. He has an MBA, awarded with highest distinction, from the Tuck School of Business at Dartmouth.

David speaks English and Italian. He is married with two children, and in the time not absorbed by his children, his interests include training, sports and reading.

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## OUR PEOPLE

# SENIOR ADVISERS



### Justin King

Vice Chairman & Senior Adviser

Justin is Terra Firma's Vice Chairman. Between 2015 and 2018, Justin was Head of Portfolio Businesses at Terra Firma. He currently serves as Executive

Chairman of Wyevale Garden Centres and Chairman of brighterkind, and is a Non-Executive Director of Annington. He is also a Non-Executive Director of Marks & Spencer plc, and serves on the Public Interest Body for PWC.

Justin is an operational leader with over 30 years of experience at leading customer-facing businesses, including Sainsbury's, Marks & Spencer, Asda, Häagen-Dazs, PepsiCo and Mars. During his 10 years as CEO of FTSE 100 retailer, J Sainsbury plc, he led the

turnaround of the iconic UK brand, trebling profits and delivering a total shareholder return of 85%.

Justin is well known for his industry-leading views on responsible business. At Sainsbury's, he developed the retailer's long-standing relationship with Comic Relief, with the business raising £1 in every £10 donated to the UK charity during his tenure.

He was also responsible for Sainsbury's pioneering sponsorship of the Paralympic Games and was a Director of LOCOG, the organising committee for the 2012 London Olympics.

In 2011, Justin was awarded CBE (Commander of the British Empire) for his services to the retail industry. In 2013, he was named Most Admired Business Leader by Management Today.



### Lord Birt

Lord Birt became an adviser to Terra Firma in 2005. He has been involved in a number of portfolio companies, serving as Chairman of WRG, Infinis and Maltby Capital, the holding company of EMI.

Prior to joining Terra Firma, Lord Birt was an adviser to McKinsey & Company and to Capgemini. He is

currently Vice-Chairman of Eutelsat and previously served as Chairman of PayPal Europe. He was Director-General of the BBC from 1992–2000 and is a former Strategy Adviser to the Prime Minister (Tony Blair).

Lord Birt is a member of the House of Lords, a position he has held since 2000. Lord Birt has a degree in Engineering from Oxford University.



### Arjan Breure

Arjan has worked with Terra Firma for several years. He joined Terra Firma in 2007 and until 2015 was a Managing Director, leading the refinancing and disposals of Deutsche Annington

and Tank & Rast amongst others.

More recently, Arjan has served as an adviser to Terra Firma and to a number of portfolio businesses including Four Seasons Health Care and Wyevale Garden Centres.

He has extensive real estate experience and is currently a Trustee of European Residential REIT. Before joining Terra Firma in 2007, Arjan was Head of Asset Management at Citi Property Investors, having previously worked at Prudential Securities and Rabobank.

He has an MBA from INSEAD and a Master's degree from the University of Utrecht.

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# SENIOR ADVISERS



### Peter Dixon

Peter is a long-standing adviser to Terra Firma. He serves as Senior Independent Director of CPC and was Chairman of EverPower prior to its sale. Peter also served as Chairman of Infinis and a

Non-Executive Director of Four Seasons Health Care.

Prior to joining Terra Firma, Peter worked in the utility infrastructure sector for 40 years. Until 2015, he was Group CEO of Phoenix Energy Holdings, the Northern Irish gas utility previously owned by Terra Firma. He was also a Director of East Surrey Holdings plc and Sutton & East Surrey Water Ltd.

Peter is currently Chairman of Lionrai Investments and Phoenix Energy Holdings on behalf of the Utilities Trust of Australia and The Royal Bank of Scotland Group Pension Fund. He is a Senior Advisor to the Vantage Infrastructure Fund and Morrison & Co. Peter was a Director of HDFUK Ltd and South East Water Ltd until 2017. He was also a Belfast Harbour Commissioner between 2008 and 2016.

Peter is a Fellow of the Institute of Energy, a Companion of the Institute of Gas Engineers and Patron of the Energy & Utility Skills Council. He is also an adviser to the Winston Churchill Memorial Trust.



### Fraser Duncan

Fraser is one of the longest-standing advisers to Terra Firma. He has served as a Non-Executive Director of Annington Homes, Deutsche Annington and Odeon & UCI and was previously a member

of the Investment Advisory Committee and Funds' General Partner Boards and had line responsibility for the portfolio business team. In this role, Fraser had Board seats on many of the portfolio companies.

Prior to joining Terra Firma, Fraser was Portfolio Finance Director for Nomura's Principal Finance Group, where he subsequently became Chief Operating Officer.

Fraser's early career included time at Unilever, five years in strategy consulting with Cameron Consultants, and a number of senior roles within the BET Group, which was subsequently acquired by Rentokil to become Rentokil Initial.

More recently, Fraser co-founded a number of start-ups including: a branded restaurant and food delivery business, Clockjack; a video production company; and a technology business operating in the multi-level marketing sector. He is a Chartered Management Accountant and has a degree in Economics and Statistics from York University.



### Rupert Gavin

Rupert has worked with Terra Firma since 2006. He was appointed to the board of Wyevale Garden Centres as a Non-Executive Director in 2014 and was previously CEO of Odeon

& UCI Cinemas during its ownership by Terra Firma.

Prior to joining Odeon & UCI, Rupert served as the Chief Executive of BBC Worldwide, and held senior positions at BT and Dixons.

He is currently Chairman of Historic Royal Palaces and Chairman of the Honours Committee for the Media and the Arts. He is also Non-Executive Director of Countrywide Plc, Chairman of Incidental Colman Ltd, a West End theatre producing company, and chairs The Living Room Cinema Company.

Rupert received an exhibition in Economics from Magdalene College, Cambridge.



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## OUR PEOPLE

# SENIOR ADVISERS



### Stephen Julius

Stephen has served on the boards of a number of Terra Firma businesses and is currently a Non-Executive Director of brighterkind.

Through his privately-owned investment firm, Stellican Ltd, Stephen was previously Chairman and controlling shareholder of US-based

Chris-Craft boats, Chairman and controlling shareholder of Indian Motorcycle in the USA, President and controlling shareholder of Riva boats in Italy, and was the first foreigner to acquire an Italian Premier League football club, Vicenza Calcio.

Stephen began his career at Boston Consulting Group. He has a degree in Classics from Magdalen College, Oxford and an MBA from Harvard Business School.



### Baroness Liddell

Baroness Liddell has served as Independent Chairman of Annington Limited since 2017.

She was a Member of Parliament from 1994 to 2005, during which time she held a number of influential positions, including Secretary of State for Scotland, Minister of State for Transport, Energy Minister and Economic Secretary to the Treasury.

She was also British High Commissioner to Australia from 2005 to 2009 and was made a life peer in 2010.

Previously, Baroness Liddell chaired G3 (Good Governance Group) between 2014 and 2018, and held leading roles in the Scottish Trades Union Congress. She was also a BBC economics correspondent, Executive Director of Scottish Daily Record and Sunday Mail Ltd and Chief Executive of Business Ventures.

Baroness Liddell holds a degree in Economics from the University of Strathclyde.



### Jos Short

Jos has served as Independent Deputy Chairman of Annington Limited since March 2017.

He is also the Chairman of pan-European investment management firm Principal Real Estate Europe, formerly INTERNOS Global Investors, of which he was Chairman and founder.

Jos served as a Non-Executive Director at Great Portland Estates plc from 2007 to 2018, and at Big Yellow Self Storage between 2000 and 2012.

Previously, Jos was CEO of Pramerica's real estate private equity business and head of Lazard Bros' European real estate M&A unit. Prior to this, he held senior roles at Barings and S.G. Warburg.

Jos is a member of The Chartered Institute of Bankers and has a degree in Banking and Finance from Loughborough University of Technology.

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## OUR PEOPLE

# SENIOR ADVISERS



### Steve Webber

Steve served as a Non-Executive Director of Annington between 2012 and 2019. He joined Nomura's Principal Finance Group, the forerunner to Terra Firma, in 1996 and, most recently, was a Managing Director at the firm until 2016.

In his 20 years at the firm, Steve focused on the leisure, leasing and transportation sectors, working on many of Terra Firma's investments including the pub deals and Tank & Rast. Steve also served on the boards of AWAS, CPC and Four Seasons Health Care.

Steve holds an MSc in International Securities, Investment and Banking from the University of Reading.



### Ingmar Wilhelm

Ingmar joined Terra Firma in 2014 as a Managing Director to advise on energy and infrastructure-related investments. From 2014 until 2018, he was Chairman and then also CEO of RTR in Italy and

led the business to a successful sale in 2018. He has also served on the board of EverPower in the US.

Ingmar runs e-horizons, a business focusing on the origination of new clean-tech technologies, new renewable development projects and innovative digital business solutions in the energy sector. Ingmar also serves as Chairman of two energy innovation companies, Agatos SpA in Milano and Energisme SA in Paris.

Prior to joining Terra Firma, Ingmar worked at Enel Green Power where he was Executive Vice President in charge of global business development.

Prior to his time at Enel, Ingmar worked with E.ON and Électricité de France. He has also served on the boards of several international associations, in particular at the European Energy Exchange, Powernext in Paris and the European Photovoltaic Industry Association.

Ingmar holds an MSc in Electrical Engineering from the University of Aachen.



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# 04

## Responsibility and Governance

04 RESPONSIBILITY AND GOVERNANCE

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## RESPONSIBILITY AND GOVERNANCE

### RESPONSIBLE INVESTMENT

Economic, social and environmental factors are all important elements in building better and more sustainable businesses, which is at the heart of our approach to creating value in our investments.

We have developed an extensive Environmental, Social and Governance ('ESG') programme, implemented through a range of policies, tools, staff training and reporting channels, and our approach is summarised in our Responsible Investment Policy.

We are proud to have been signatories of the UN-supported Principles for Responsible Investment ('PRI') since 2011 and we publish our annual PRI report on our website. Terra Firma also endorses the ILPA Principles 2.0, the BVCA's Code of Conduct and Invest Europe's Code of Conduct.

#### GENDER DIVERSITY

We are committed to enabling the success of our female colleagues as well as women in the wider private equity industry. Approximately 40% of our staff are women and our recent Graduate Analyst Training Programmes had a female intake of over 30%. We are proud to support the not-for-profit organisation Level 20, which aims to inspire women to join and succeed in private equity and deliver greater representation for women at all levels of the industry.

#### SOCIAL ENGAGEMENT

We promote direct engagement with our neighbouring communities and encourage equally active engagement on the part of our portfolio businesses.

Terra Firma Capital Partners Limited ('TFCPL') is fully committed to supporting its local community in the London Borough of Southwark and donates 10% of its annual pre-tax profits to charity. This is divided between the Terra Firma Charitable Trust and Impetus, a charity with close links to the UK's private equity industry, and of which Terra Firma is a founding member.

The Terra Firma Charitable Trust was established in 2002 and is run by TFCPL colleagues. Its mission is to make charitable contributions which benefit the community in Southwark, where our London office is located. TFCPL's donations have enabled the Trust to make total commitments of more than £2.7 million to charitable organisations working in and for our local community.

Impetus transforms the lives of children and young people living in poverty by ensuring they get the support they need to succeed in education, find and keep jobs, and achieve their potential. TFCPL has made donations totalling more than £1 million to Impetus.

Terra Firma Capital Management Limited has supported a number of local initiatives in Guernsey designed to improve the lives of the residents, with a specific focus on children and health. Donations total more than £800,000.



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## RESPONSIBILITY AND GOVERNANCE

### CHARITIES: LONDON

#### CORAM

Coram is a national adoption charity which, through adoption services, supported housing, parents' centres, family support and education, works with vulnerable children, young people and their families, transforming their lives through practical help and support.

#### DEBATE MATE

Debate Mate is an educational organisation founded to increase social mobility amongst young people from disadvantaged backgrounds.

#### THE FRIENDS OF JOHN DONNE ACADEMY

The Friends of John Donne Academy is the charitable arm of the John Donne Primary School, located in an area of high deprivation in South-East London.

With Terra Firma's support, the school was able to create a school library using a decommissioned London Bus.

#### THE PRINCE'S TRUST

The Prince's Trust is a youth charity that helps young people aged 11 to 30 get into jobs, education and training.

#### SCHOOL-HOME SUPPORT

School-Home Support, working with schools, local authorities and other children's settings, provides personalised support to children and families, tackling the underlying barriers to a successful education to improve the life chances of children.

Terra Firma's support allowed School-Home Support to employ a practitioner at Hollydale Primary School in Southwark for four days per week to work with around 200 children and family members each year.

#### SOUTH LONDON CARES

South London Cares is a community network of neighbours. Through its Social Clubs and one-to-one Love Your Neighbour programme, neighbours share time, company, conversation, laughter and friendship, with the aim of tackling isolation and loneliness across Southwark and Lambeth.

#### XLP

XLP creates positive futures for young people living in some of the most disadvantaged communities in London.

### CHARITIES: GUERNSEY

#### AUTISM GUERNSEY

Autism Guernsey is an independent charity set up in 2013 to assist and support people on the autism spectrum in Guernsey.

#### DYSLEXIA DAY CENTRE

The Dyslexia Day Centre is a Guernsey-based charity organisation offering tuition, assessments, support and advice to anyone affected by dyslexia.

#### GUERNSEY ALCOHOL ADVISORY SERVICE

Guernsey Alcohol Advisory Service runs a six-bed Rehabilitation Dry House for Guernsey residents who have lost everything as a direct result of their problematic alcohol use.

#### HEADWAY GUERNSEY

Headway Guernsey supports over 70 islanders and their families who are living with the long-term effects of a brain injury.

#### HELP A GUERNSEY CHILD

Help a Guernsey Child assists disadvantaged local children, young people and youth organisations, as well as meeting some specific individual needs.

#### SAFER

Safer provides support to the victims of domestic abuse in Guernsey and its primary aim is to help to keep victims safe.

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## RESPONSIBILITY AND GOVERNANCE

### CHARITY IN FOCUS: AUTISTICA

#### BUILDING LONGER, HAPPIER, HEALTHIER LIVES FOR AUTISTIC PEOPLE AND THEIR FAMILIES

Autistica is the UK's autism research charity. It carries out research and campaigns on issues that matter most to autistic people and their families.

Autistic people face some of the worst health, wellbeing, education and employment outcomes of any group in society. Despite this, the UK only spends an average of £6 million a year on autism research compared with £50 million on dementia and £590 million on cancer.

#### CREATING A WORLD THAT WORKS FOR AUTISTIC PEOPLE

Autistica is putting autistic people and families at the heart of research, and making researchers and policy makers respond to the needs of this severely underserved community.



#### BRINGING RESEARCH TO FAMILIES

Terra Firma's support helps Autistica bring autistic people, families and researchers together. Last year, the organisation shared the latest research with families across Southwark and invited them to a talk at King's College London with leading scientists and autism advocates to discuss mental health and autism – the community's top priority.

Autistica's research in 2018 focused on the community priorities of mental health, language and communication, physical health and epilepsy

79% of autistic adults experience mental health problems



#### MAKING WORKPLACES NEURODIVERSE

Autistica has been working with companies across Southwark and the rest of the UK to highlight the untapped talent of autistic people. It has spoken to staff and HR teams to help them understand the benefits that neurodiversity can bring and advised how companies can recruit and support autistic staff.

Just 16% of autistic people are in full-time work

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## RESPONSIBILITY AND GOVERNANCE



### CAMPAIGNING FOR LONGER LIVES

In 2018, thanks to Autistica's tireless campaigning around the physical and mental health inequalities of autistic people, NHS England committed to improving healthcare for autistic people – for the first time ever. That means some of the £20 billion set aside in the NHS long-term plan will go towards Autistica's vision of longer, healthier, happier lives for autistic people.

### INVOLVING AUTISTIC PEOPLE IN RESEARCH

9 in 10 autistic people want to take part in research, but don't know how

Autistica has set up the Discover network to connect autistic people with the latest research and opportunities. They now have over 11,000 Discover network members across the UK – many recruited through their Terra Firma supported activities in Southwark.

The Discover Insight Group was set up in 2018 and has 200 members who work with researchers to improve their study design and communications. Its work to involve autistic people has been recognised with 11 awards in the last 18 months, including the 2018 Charity Award's Disability Charity of the Year and the International Society for Autism Research Advocate Award.



"It's so important to include autistic people in research and I hope that other organisations follow Autistica's lead. It feels like we are collaborating with researchers – which feels so much better than being studied. We are all working together to better the lives of autistic people."

**LAURA**, a member of Autistica's Discover network who shared her experiences of autism and anorexia for research

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## RESPONSIBILITY AND GOVERNANCE

### OUR STRUCTURE

Terra Firma's active funds include Terra Firma Capital Partners III, L.P. ('TFCP III'), Terra Firma Support Capital, L.P. ('TFSC'), Terra Firma Special Opportunities Fund I, L.P. ('TFSOFI'), Terra Firma Special Opportunities Fund II, L.P. ('TFSOFII'), and Terra Firma Special Opportunities Fund IV, L.P. ('TFSOFIV').

Terra Firma's funds are typically Guernsey Limited Partnerships. Terra Firma's investors invest as Limited Partners in these funds, with the day-to-day affairs of each partnership managed by its General Partner, a Guernsey-based company. The General Partners make all investment decisions on behalf of the relevant funds.

Terra Firma Capital Partners Ltd ('TFCPL') in the UK, with support from Terra Firma Capital Management Ltd ('TFCML') in Guernsey, and a representative office in China, are investment advisers to the General Partners, including sourcing and advising on investment opportunities and realisation strategies.

### GOVERNANCE

Terra Firma is committed to the highest standards of corporate governance and we operate within a robust governance framework.

#### TFCPL

##### THE BOARD OF DIRECTORS

TFCPL is managed and controlled in the UK by a board of UK-based directors comprising Group CFO & COO Vivek Ahuja and Non-Executive Director Deborah Pluck.

#### TFCML

TFCML has a board of Guernsey-based directors comprising two Executive Directors (Guy Hands and Rupert Mackay) and two Non-Executive Directors (John Stares and Iain Stokes).

### GENERAL ACCOUNTABILITY

#### AUTHORISED STATUS

TFCPL is authorised and regulated by the Financial Conduct Authority ('FCA') to provide investment advice to, and arrange deals for, the Terra Firma funds. TFCML is licensed by the Guernsey Financial Services Commission.

The Guernsey Limited Partnerships are regulated by the Guernsey Financial Services Commission. The operations of the Terra Firma portfolio companies are regulated by local authorities where the companies operate. Changes to the regulatory frameworks under which the companies operate are monitored.

#### COMPLIANCE OFFICERS

David Thomas is the Compliance Officer of TFCPL. The Compliance Officer's function is to, amongst other things, ensure that the UK-based directors and employees of TFCPL comply with FCA rules and any other rules and regulations governing the conduct of designated investment business under the Financial Services and Markets Act 2000.

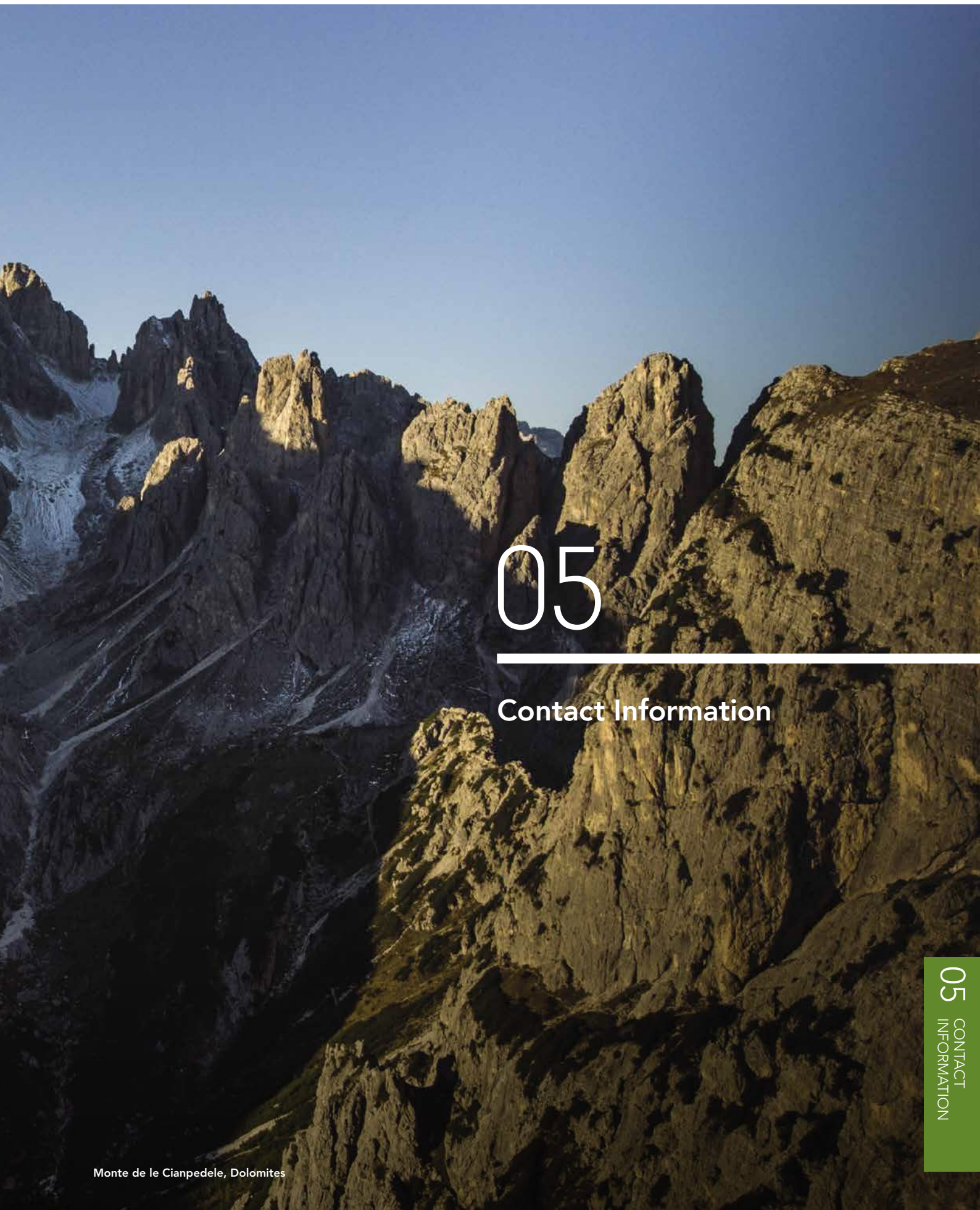
Estera Administration (Guernsey) Limited is the Compliance Officer of TFCML. The Guernsey Compliance Officer's function is to ensure that the Guernsey-based directors and employees of TFCML comply with the rules of the Guernsey Financial Services Commission and other relevant local legislation.

#### OWNERSHIP

Guy Hands is the ultimate beneficial owner of both TFCPL and TFCML.



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## Contact Information

Monte de le Cianpedele, Dolomites

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### TERRA FIRMA'S FUNDS

#### General Partners

Terra Firma Investments (GP) 2 Limited  
Terra Firma Investments (GP) 3 Limited  
Terra Firma Investments (Special Opportunities Fund I) Limited  
Terra Firma Investments (Special Opportunities Fund II) Limited  
Terra Firma Investments (Special Opportunities Fund IV) Limited  
Terra Firma Investments (DA) Limited  
Terra Firma Investments (DA) II Limited  
Terra Firma Investments (Support Capital) Limited  
P.O. Box 286  
2nd Floor, Trafalgar Court  
Les Banques, St. Peter Port  
Guernsey GY1 4LY

#### Boards of Directors of the General Partners

Glen Broadhurst  
Guy Hands  
Fred Hervouet  
John Stares  
Iain Stokes

### ADVISERS

#### Terra Firma Capital Partners Limited

2 More London Riverside  
London SE1 2AP  
United Kingdom  
+44 20 7015 9500

#### Terra Firma Capital Management Limited

Royal Chambers  
St. Julian's Avenue  
St. Peter Port  
Guernsey GY1 3RE  
+44 1481 754 690

### TERRA FIRMA'S SERVICE PROVIDERS

#### Administrator

Estera Administration (Guernsey) Limited  
P.O. Box 286  
2nd Floor, Trafalgar Court  
Les Banques, St. Peter Port  
Guernsey GY1 4LY

#### Funds' Auditor

KPMG Channel Islands Limited  
Glategny Court  
Glategny Esplanade  
St. Peter Port  
Guernsey GY1 1WR

#### General Partners' Auditor

Deloitte LLP  
Regency Court  
Glategny Esplanade  
St. Peter Port  
Guernsey GY1 3HW

#### Advisers' Auditor

Deloitte LLP  
Regency Court  
Glategny Esplanade  
St. Peter Port  
Guernsey GY1 3HW

#### Press Enquiries

Rollo Head  
Finsbury Limited  
Tenter House  
45 Moorfields  
London EC2Y 9AE  
United Kingdom  
+44 20 7251 3801

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## CONTACT INFORMATION

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### INVESTOR RELATIONS

**Paul Spillane**

Head of Investor Relations  
North and South America  
paul.spillane@terrafirma.com  
+1 203 550 3840

**Anthony D'Souza**

Director  
anthony.dsouza@terrafirma.com  
+44 20 7015 9558

**Manabu Kurata**

Director – Asia  
manabu.kurata@terrafirma.com  
+44 1481 754 675

**Ryan Macaskill**

Head of Investor Services  
ryan.macaskill@terrafirma.com  
+44 20 7015 9685

**Ali Munir**

Director – Middle East  
ali.munir@panarae.com  
+971 561 011 744

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## CONTACT INFORMATION

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### TERRA FIRMA'S BUSINESSES

#### Annington

1 James Street  
London W1U 1DR  
United Kingdom  
+44 20 7960 7500  
[www.annington.co.uk](http://www.annington.co.uk)

#### Parmaco Oy

Haarlankatu 4 F  
33230 Tampere  
Finland  
+358 20 734 0011  
[www.parmaco.fi/en/](http://www.parmaco.fi/en/)

#### Consolidated Pastoral Company

72 Newmarket Road, Windsor  
Brisbane  
Queensland 4030  
Australia  
+61 7 3174 5200  
[www.pastoral.com](http://www.pastoral.com)

#### Welcome Hotels

Kuhwaldstraße 46  
60486 Frankfurt  
Germany  
+49 2902 88 1190  
[www.welcome-hotels.com](http://www.welcome-hotels.com)

#### Four Seasons Health Care

Norcliffe House  
Station Road  
Wilmslow  
Cheshire SK9 1BU  
United Kingdom  
+44 1625 417 800  
[www.fshc.co.uk](http://www.fshc.co.uk)

#### Wyevale Garden Centres

Syon Park  
Brentford  
Middlesex TW8 8JG  
United Kingdom  
+44 20 8326 1358  
[www.wyevalegardencentres.co.uk](http://www.wyevalegardencentres.co.uk)





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[www.terrafirma.com](http://www.terrafirma.com)