



ICV lashes Spirit to Premier Yachts

by Kelly Holman Posted 03:52 EST, 19, Sep 2006

ICV Capital Partners LLC said Tuesday, Sept. 19, it launched dinner-boat company **Entertainment Cruises Inc.** after acquiring Norfolk, Va.-based **Spirit Cruises LLC** for more than \$61 million.

The price was not disclosed. But Chicago lender **Madison Capital Funding LLC** arranged \$61 million in debt financing to support the deal.

The transaction included New York private equity firm ICV's acquiring Spirit Cruises from France's **Sodexo SA**, which is listed as the company's owner on Spirit's Web site, and combining it with ICV portfolio company **Premier Yachts Inc.**

ICV made an equity investment from its \$313 million second fund. The management teams at Spirit Cruises and Chicago-based Premier Yachts made co-equity investments. The size of these investments was not disclosed.

"This deal will create the largest dinner cruise company in the country," said Lloyd Metz, a principal at ICV Capital. "We think there is an opportunity to improve their [Spirit's] marketing and product innovation and let more people know about these cruises."

Spirit runs 12 yachts that offer two- to three-hour excursions in the harbors of such cities as Boston, New York, Philadelphia, and Norfolk, Va., as well as off the Chicago lakefront.

Premier has four yachts and operates dinner cruises under the Odyssey, Mystic Blue and Seadog names.

Officials at Spirit did not immediately return calls, and attempts to reach Premier Yachts' chief executive, Michael Higgins, were unsuccessful.

The acquisition and merger with Premier Yachts will create a business with \$85 million in revenue.

Entertainment Cruises' yachts carry 400 to 600 people each on short jaunts throughout the day that offer food, drinks and music entertainment.

"It's really a way to have a good meal, good entertainment and skyline views of a major city that a lot of people don't have occasion to see," Metz said.

Delta Capital Group LLC of Avon, Conn., brokered the sale of Spirit via a quietly shopped auction process.

ICV acquired Premier Yachts in February 2005 for an undisclosed sum.

Besides Metz, ICV's deal team included managing director Tarrus Richardson, senior associate Neel Broker and associate Roy Yu.

As part of the deal, Premier Yachts CEO and founder Higgins was named chief executive of Entertainment.

The new company will maintain the brand names of Spirit Cruises' operations, including Bateaux New York and Elite Yacht Charters, as well as the brand names of Premier Yachts' operations.

J.H. Chapman Group bankers David Epstein and Robert Hill provided financial advice to Entertainment Cruises and ICV.

Kirkland & Ellis LLP attorneys Markus Bolsinger, Susan Zachman and Jason Quintana provided legal counsel to ICV.