

15<sup>th</sup> December 2006

## **Tragus announces its sale to Blackstone to continue next phase of growth**

Tragus Limited, one of the leading casual dining groups in the UK, today announces its sale to Blackstone Group Limited for £267m along with a capex facility of £40m to fund future growth and acquisition opportunities and working capital of £15m. Debt facilities were provided and arranged by Barclays Capital.

Blackstone is backing the existing Tragus management team, led by CEO Graham Turner, who will be significant investors in the company alongside Blackstone.

Tragus is one of the largest mid-market restaurant chain operators in the UK, with over 160 sites across the country serving over 12 million meals every year. It has a strong all-day dining offer through its leading Café Rouge and Bella Italia chains, and recently launched the new Ortega tapas concept. Based in London, the company employs approximately 4,000 people.

Tragus was acquired by Legal & General Ventures in January 2005. Under LGV ownership, Tragus's core brands have performed extremely well as Bella Italia has developed its offering and Café Rouge has continued its strong like for like growth and restaurant acquisition plans.

The sale of Tragus follows the full consideration of a number of strategic options available to the company with its advisors Close Brothers and Citigroup. Blackstone and management believe the UK casual dining sector is in its early stages of growth as UK consumers' propensity to eat outside of the home is increasing, and high quality, consistent casual dining formats are under penetrated in the market. Blackstone will support Tragus in its existing growth plan and expects to help Tragus consolidate its position as one of the largest restaurant groups in the UK.

Tragus Chief Executive, Graham Turner said: "Our core brands Café Rouge and Bella Italia go from strength to strength, and we believe that our recently launched new Spanish concept, Ortega, has much potential. We look forward to continuing the Group's successful growth and to maximising the strength of our brands in the rapidly developing UK restaurant sector with the support of Blackstone."

Commenting on the acquisition, Joseph Baratta, Senior Managing Director of the Blackstone Group said: "We see in Tragus a very high quality business with excellent management that has unique brands in a growing market. We will support Tragus management in developing the business and in reinforcing its position as a leader in the market. Tragus is the ideal platform in the UK casual dining sector."

Tragus management were advised by Hawkpoint and Lovells.

### **For further information**

Tragus	Graham Turner	020 7121 3232
Brunswick	Fiona Antcliffe/Laura Cummings	020 7404 5959
Citigroup	Anthony Gutman	020 7986 4000

## **Tragus Limited**

Tragus operates primarily under the Café Rouge and Bella Italia formats in the UK.

### **Café Rouge (88 sites), [www.caferouge.co.uk](http://www.caferouge.co.uk)**

Café Rouge is the UK's only established national French restaurant brand, with sites designed to provide the look and feel of a classic Parisian bistro and a menu that includes steak frites, moules and tarte tatin. Café Rouge is predominantly a high street brand but it also operates successfully within a concessionary environment, for example it has an award-winning restaurant at Heathrow airport.

### **Bella Italia (67 sites), [www.bellaitalia.co.uk](http://www.bellaitalia.co.uk)**

Bella Italia is an all-day Italian trattoria with a rustic ambience. Its restaurants are in prime locations predominantly on the high street but it also operates from leisure park sites. In addition to classic pizzas and pasta its broad menu also includes a range of grill and other protein-based dishes and salads.

### **Ortega (4 sites), [www.ortegatapas.co.uk](http://www.ortegatapas.co.uk)**

Tragus announced the launch of its Spanish tapas bar cantina brand in April 2006 which will provide a complementary offering to the Group's existing brands, Café Rouge and Bella Italia. The Spanish tapas style of dining is a sector of the UK casual dining market that Tragus believes has significant growth potential.

### **Brasseries (4 sites)**

Tragus also operates 4 brasseries under the brands Amalfi, Oriel and Abbaye.

## **Blackstone Group Limited**

The Blackstone Group, a global private investment and advisory firm, was founded in 1985. The firm has raised a total of more than \$67 billion for alternative asset investing since its formation of which approximately \$30 billion has been for private equity investing. The Private Equity Group is currently investing its fifth general private equity fund with commitments of \$15.6 billion, and has over 60 experienced professionals with broad sector expertise. Blackstone's other core businesses include Private Real Estate Investing, Corporate Debt Investing, Hedge Funds, Mutual Fund Management, Private Placement, Marketable Alternative Asset Management, and Investment Banking Advisory Services. Further information is available at <http://www.blackstone.com>.