



AAC sells T.G.I. Friday's UK to Carlson

Strategy of capex investment and increased efficiency has driven greater profitability in spite of the declining restaurant market

LONDON, 29 July, 2010 – AAC Capital Partners ("AAC"), a leading Northern European mid-market buy-out firm, today announces that it has divested its 60 percent stake in T.G.I. Friday's UK Holdings Limited (T.G.I. Friday's UK) to Carlson, a privately held global hospitality and travel company. The transaction values T.G.I. Friday's UK at an enterprise value of £60m and results in AAC achieving a return of 3.8x on its original investment.

AAC partnered with Carlson Restaurants, a global leader in casual dining, parent of T.G.I. Friday's® restaurants and a core business of Minneapolis, Minnesota-based Carlson, in March 2007 to acquire T.G.I. Friday's UK restaurants from Whitbread plc for £70m. The financing of the acquisition separated the operation of the restaurants from the property assets with the enterprise value of the acquired operating company totalling £23m. The property assets were then subject to a sale and leaseback agreement with British Land. AAC took a majority stake with 60 percent ownership, while Carlson Restaurants owned the remaining 40 percent, with an exclusivity option to buy out AAC's stake.

During its ownership, AAC and Carlson Restaurants focused on a combination of improvements in processes and cost control, and investment in new and existing restaurants, staff and technology. Over that time, the chain has also delivered impressive sales growth, outperforming the casual dining market across the last four quarters as measured by Coffer Peach Business Tracker. Key highlights include:

- EBITDA more than doubled from 2007 to 2010
- Gross profitability is up by four percentage points as a result of greater efficiencies
- Like-for-like sales growth of over five percent from 2007 to June 2010, mainly driven by a substantial rise in covers
- Two new restaurants have been opened
- Around 20 percent (eight out of a total of 46) of the restaurants have been remodelled
- Customer satisfaction is up significantly
- Capex investment to develop the estate has totalled in excess of £11m

Paul Southwell, UK Managing Partner at AAC Capital Partners, said: “We’re proud to have delivered impressive growth for T.G.I. Friday’s UK, particularly when you look at the environment the chain has been operating in since we acquired it. While many high street chains have suffered during the recession, T.G.I. Friday’s UK has gone from strength to strength. This is testament to the dedication of the management team and AAC’s value creation expertise in the consumer sector. I’d like to thank everyone we’ve worked with at the business over the past few years and wish them the very best for future success.”

-ENDS-

Notes to Editors

About AAC Capital Partners

AAC Capital Partners is a leading Northern European mid-market buy-out firm which focuses on buy-outs within the €50-€500 million deal range in the consumer, industrial and services sectors. We target opportunities for majority stakes in profitable, cash-generative companies headquartered in the Netherlands, Nordic region and the UK. We currently have €1.7 billion total funds under management. www.aaccapitalpartners.com

For media enquiries, please contact:

FD (for AAC Capital Partners)
Fergus Wheeler
+44 (0) 20 7269 7259
fergus.wheeler@fd.com