

PRESS RELEASE

January 2012

What happened to the restaurant world in 2011?

It is that time of year when everyone takes stock as to what has happened of any major consequence in the past 12 months; how does it affect them; and what can be expected over the next 12 months.

The following, with a property bias, is our take on the past 12 months.

January 2011

Starbucks delivered record results.

Las Iguanas defied the recession with 21% like-for-like sales growth.

Cote Restaurants doubled the number of their sites to 14.

Restaurant Group trading for the 53 weeks to 2 January 2011 was up by 7%. The group opened 24 restaurants during the period and will open between 22 and 27 during the current year.

Jamie's Italian is to open ten new sites in 2011.

ETM Group, the eight-strong London-based gastro-pub operator has seen increased turnover of £10.3m.

February 2011

Greene King has acquired Cloverleaf, north west-based operator of freehold pub restaurants, for £55.8m.

Individual Restaurant Company, which has 33 restaurants, said like-for-like sales for the crucial December period were 4% down.

Gondola Group is to roll out the next generation format of its Pizza Express brand across its entire c.380-strong estate.

Carlson said it planned to double the size of its TGI Fridays bar and restaurant chain now that the hospitality industry is recovering, with expansion in Britain a key focus.

March 2011

The Restaurant Group reported a 12% increase in adjusted pre-tax profit to £56m for the 53 weeks to 2nd January 2011.

Subway has announced it has overtaken McDonald's to become the world's largest restaurant chain in terms of units. Subway had 33,749 restaurants worldwide compared to the 32,737 operated by McDonald's.

Mitchells & Butlers is claiming a UK first by including calorie counts on menus across its Harvester brand.

Whitbread reported a 6.7% increase in like-for-like sales for the 50 weeks to 17th February 2011.

Marco Pierre White has completed the acquisition of the Maypole Group, the operator of six rural inns, out of administration.

Carluccio's, the all-day Italian café brand, is targeting eight to 10 new openings this year.

Mitchells & Butlers announced that chief executive Adam Fowle is to leave the company by mutual consent after a period of two years in the post.

Giraffe, which is on target to open its 50th site by the end of the year, will unveil its next generation restaurant design.

Prezzo has bought a further six sites from Paramount Restaurants. Prezzo, which currently operates more than 160 restaurants, bought 11 sites from Paramount in August 2010.

Sandwich chain Eat has been bought by private equity firm Lyceum Capital.

Lion Capital has agreed to sell Wagamama, the fast-casual noodle chain, to private equity group Duke Street. It has plans to expand to 300 UK restaurants.

April 2011

Prezzo reported an 11% increase in adjusted EBITDA to £18.8m for the 53 weeks to 2nd January.

May 2011

Nando's Group Holdings looks to have 1,000 restaurants operating internationally by the end of this year.

June 2011

Tragus is to trial a new look for its Café Rouge brand.

TGI Friday's is set to add its 50th site in September at Westfield Stratford City.

Jamie Oliver is set to further increase his presence in the UK's eating out sector with plans to launch a new chain of restaurants called Union Jack's.

Pizza Hut has announced plans to more than double its 318-strong delivery estate by 2020, with the opening on average of 40 new sites a year.

Just under a third of independent high street stores are now cafes, pubs, restaurants and takeaways rather than traditional retailers.

The Restaurant Group is to ramp up the roll out of its Brunning & Price pub restaurant operation.

July 2011

Jamie's Italian saw sales more than double, with 10 new sites opened during the year.

Goodman, the upscale Russian steakhouse concept, has secured its third UK site - in Canary Wharf.

August 2011

Wimpy UK has reported a decline in revenue for the year to 28 February 2011. The group saw its UK estate reduced in total from 160 to 131 sites during the year.

Perfect Pizza, the 110-strong UK pizza delivery chain, has been acquired out of administration.

Prezzo plans to double the size of its estate the next five years, with the addition of between 20 to 30 new openings a year.

Itsu has reported a pre-tax loss for the year on the back of a "rapid shop-opening programme".

September 2011

TRG today reported an 8% rise in pre-tax profit for the 26 weeks to 3 July 2011.

Mitchells & Butlers has completed the acquisition of eight Old Orleans sites from Intertain.

Westfield Stratford City, Europe's largest urban shopping centre, opened yesterday with over 70 restaurants.

October 2011

A number of leading London-based restaurateurs have warned that the 2012 Olympics will have a negative impact on their business.

A package of seven high street freehold properties tenanted to major pub and restaurant operators have been placed on the market with Fleurets for offers in excess of £12.25m.

Cote Restaurants has secured its 30th site.

Apartment Group, the North East-based bar and restaurant company, is eyeing further growth after securing a £8.65m loan from the Co-operative Bank. The 11-strong company recently acquired the Old Orleans in Sunderland, the third venue it has acquired in the last 12 months.

Gourmet Burger Kitchen is to revamp its 54-strong UK estate over the next five years.

Wagamama will take its UK estate to 75 restaurants in November.

November 2011

The Restaurant Group expects to open a total of between 24 and 26 new restaurants this year and currently expects to open between 25 and 30 new restaurants in 2012.

Little Chef has placed 19 sites on the market as part of an ongoing review of its 160-strong estate.

Gondola Group opened 42 new restaurants during the year, but said it expected the economic backdrop to "remain challenging".

Loungers is expected to reach 29 sites by the end of 2012 as it announces eight new openings next year.

Rex Restaurants has secured the much sought-after former Oriel restaurant site in London's Sloane Square, on which they plan to open a sister restaurant to the hugely successful The Wolseley.

Tragus has reported a 9% drop in full year EBITDA, with like-for-like sales down for the third consecutive year on the back of weak consumer spending and pressure on margins. The 295-strong group invested £19.6m during the year on 11 new openings, refurbishments and maintenance.

Brasserie Blanc has exchanged contracts with Paramount Restaurants to acquire its eight-strong Chez Gerard chain.

Paramount Restaurants, the operator of the Brasserie Gerard and Bertorelli brands, has been placed into administration.

Nando's saw its pre-tax losses narrow in the year to 27 February as turnover broke through the £300m mark, on the back of new openings and the acquisition of the Clapham House Group.

Leading food and drink companies have signed a pan-European agreement to promote only nutritious products on their websites.

December 2011

Prezzo is set to end the year strongly with the opening of eight new sites.

Gondola expects to transform a minimum of 25 Ask sites to its new Ask Italian format taking the number of restaurants under the updated format to 45.

Cote Restaurants has reported a rise in pre-tax profit for the 53 weeks to 31 July 2011. The company saw turnover increase from £17.3m to £35.5m as it opened 12 new restaurants to take its total to 26.

So what does this tell us?

Essentially it is a very fast moving scenario. Those with successful brands are building numbers very quickly, often by the acquisition and refitting of properties released by the less successful. Some companies are reporting increased 'like for likes' but virtually all report on the continuing problems with securing increased customer spend. Companies cannot afford to carry lame ducks within their portfolios and are quick to cut losses lest they pollute the rest of the brand.

So what does 2012 hold in store?

It has recently been prophesied that there will be a resurgence in mergers and acquisitions in 2012 due to a pick up in private equity demand. Sales are predicted to remain flat during 2012 but buyers will be keen not to miss out on predicted growth for 2013. Food prices are starting to fall and landlords are offering secure restaurant chains deals on leases as general retailers continue to fail.

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