

Restaurant Group PLC

00:00 27 Jul 2006

The Restaurant Group plc: sells Cafe UNO

Restaurant Group today announced that it had disposed of one of its restaurant chains, Café Uno, for approximately £33 million to a subsidiary of the Paramount Restaurant Group.

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This was a widely expected move as the company mentioned in late 2005 that it wanted to exit the business and focus on its other brands which The Restaurant Group believes have stronger growth potential. Chief Executive Andrew Page said "The sale of the Café Uno business leaves The Restaurant Group focused on higher quality earnings and cash flow. Going forward, we are well placed to continue to deliver good growth."

The Restaurant Group listed in early 1999 at 63p a share and since then, with the exception of a volatile 2001, the shares have risen fairly consistently and are currently trading around 156p a share. The company is solely focused on the "value-for money" food service sector and its brands include Frankie & Benny's, Garfunkel's and Chiquito's. The Restaurant Group has around 240 restaurants in the UK and serves around 20 million meals a year.

Today the company also stated that it intends to return the money raised by the sale of Café Uno to shareholders in the way of a special dividend, subject to an EGM scheduled for the 23 February which will also give the company the clearance to perform a 8 for 9 share consolidation. The share consolidation is being tabled as a way for the company to assist in maintaining the comparability of previous earnings per share, dividends etc to post consolidation reporting.

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Assuming the company does not issue any further shares in between now and the EGM meeting, the number of shares in issue will shrink from approximately 216 million now to 192 million the day after the EGM. Also assuming the EGM meeting results in the acceptance of the proposal to return £35 million to shareholders, each new share will entitle the owner to a one-off payment of roughly 5.5p a share, which the company proposes to pay on March 9th, 2005.

To be entitled to receive the special dividend, investors will have to hold stock at the end of trading on the 24th February, 2005.

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Price: 134.1

Market Cap: £659.1 m

1 Year Share Price Graph



Share Information

Code: RTN

Listing: LSE

52 week High Low
167.7 110.1

Sector: Food & drink

Website: www.trgplc.com

Company Synopsis:

The Restaurant Group Plc (TRG) is a significant player in the UK casual dining market, operating over 500 restaurants and pubs which include Frankie and Benny's, Chiquito, Coast to Coast, Garfunkel's, Firejacks, Brunning & Price and Joe's Kitchen. We also operate a concession business which trades over 60 outlets across more than 30 brands, primarily in UK airports.

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