



## **Giraffe attracts 3i Group as new investor alongside RCP**

Risk Capital Partners ("RCP") is pleased to announce that Giraffe, one of its portfolio companies, has attracted £10m of investment from 3i Group plc for a minority stake, in a transaction that values the business at £24m pre new money. Risk Capital Partners have retained their entire stake at a significant uplift in value.

The investment is the next stage in the success of Giraffe, which has seen strong growth since RCP provided development funding in early 2004. Since then the number of outlets has more than doubled, from seven to 15, including three now under construction. Turnover has grown from £5.5 million in the year to March 31 2004, and is forecast to exceed £14 million in the current year.

Giraffe is a successful all-day casual dining format, proven in London as an attractive, affordable, fun eating-out venue for young families, shoppers and workers. RCP's investment has demonstrated that there is considerable potential to roll this format out across the UK and 3i's funding will support an accelerated national rollout over the next three years. It will also facilitate an exit for some of the early investors in the business. The rollout will deliver 8-10 new openings per year and target high street locations as well as new retail/leisure developments.

The new sites opened as a result of RCP's investment are in Muswell Hill, Wimbledon Village, Royal Festival Hall, Spitalfields and one franchised site at London Heathrow Terminal One. The new sites opening within the next three months include the Trafford Centre Manchester, thecentre:mk in Milton Keynes and the Brunswick Centre in London.

Giraffe's CEO Russel Joffe, Juliette Joffe and Operations Director Andrew Jacobs – founders of Giraffe – will continue to run and grow the business. Russel Joffe previously founded, developed and sold the Café Flo chain of restaurants. Luke Johnson and Ben Redmond of Risk Capital Partners will continue as Giraffe's Chairman and non-executive Director, respectively.

Russel Joffe, CEO Giraffe, commented: "Since Risk Capital Partner's investment in 2004 the business has grown strongly and opened some transformational sites. I am delighted that they continue to believe in Giraffe, and look forward to working with them on our continued expansion. "

Ben Redmond, who led the original investment for Risk Capital Partners, commented: "Giraffe has been a great investment for us. We have developed an excellent working relationship with Russel Joffe and his team over the past two and a half years and we believe in their ability to roll this brand out on a national scale. As evidence of this belief, we have not taken any money out at this valuation and are looking forward to working with 3i Group as co-investors."

3i's investment values RCP's stake at 5.7x cost and an IRR of 96%.

-Ends-

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**Giraffe**

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