

Regulatory Announcement

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Company	Gourmet Holdings PLC
TIDM	GRM
Headline	Acquisition
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Gourmet Holdings Plc (“Gourmet” or the “Company”)**ACQUISITION**

Gourmet, the London restaurant/café operator, is pleased to announce the exchange of contracts to acquire Amato, the café/patisserie concept based in Old Compton Street, London for £675,000 plus options as detailed below. The acquisition consists of the leasehold interest in the property that Amato operates from, associated operational assets, intellectual property and goodwill. The Amato operational staff are also transferring to Gourmet. Completion is expected to occur in the near future and is conditional on landlord consent to the lease assignment.

The consideration of £675,000 comprises £650,000 in cash and £25,000 of shares in Gourmet of which £67,500 cash has been paid as a deposit with the balance falling due upon completion. The vendor, Shirepond Limited, will also be granted options over the ordinary shares in Gourmet to the value of £150,000 that can be exercised at any time between three and six years from the date of completion. The option exercise price and share consideration element will be set at the average of the three day mid market closing prices up to and including the day before completion. Amato and the associated assets are being acquired at fair value and generated unaudited turnover and profit before tax of approximately £925,000 and £90,000 respectively in the year to 31 August 2007.

Neil Blows, Chairman, commented:

“The purchase of Amato is in line with the new Board's strategy of acquiring/developing a cafe/patisserie concept complementary to the Richoux brand. We will also utilize the quality authentic Italian cakes and pastries produced by Amato to supply our Richoux outlets. We are confident that we can develop the Amato brand further and enhance profitability.”

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