

Regulatory Announcement

Go to market news section



Company	Gourmet Holdings PLC
TIDM	GRM
Headline	Disposal
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Gourmet Holdings PLC ("Gourmet" or the "Company")

Disposal of the Bel & Dragon chain of four pub/restaurants to Ultimate Leisure Group PLC ("Ultimate Leisure")

Following the decision by the Board of Gourmet, announced in September 2006, to dispose of its pub/restaurants to focus on its Richoux business, the Company is pleased to announce that it has sold to Ultimate Leisure its interests in the four Bel and the Dragon pub/restaurants for a total cash consideration of £8.75m payable upon completion subject to adjustment.

This follows the disposal of two unbranded pub restaurants, The Five Bells at Stanbridge, Bedfordshire and the Talkhouse at Stanton St John, Oxfordshire to Fuller, Smith & Turner plc in December 2006.

Completion is expected to take place shortly after the Extraordinary General Meeting ("EGM") to be convened to seek the necessary shareholder approval for the transaction. A circular convening the EGM will be posted to shareholders in the near future.

Cash proceeds from the sale will be used to eliminate the Company's indebtedness through the repayment of its bank loans.

For the financial year ended 25 June 2006, the pub/restaurants being disposed of generated EBITDA of £0.85m. As at 7 January 2007, the pubs had a book value of £10.8m. The loss on disposal of fixed assets of £2.0m together with costs of the transaction will be included within the profit and loss account of the Company for the year to 24 June 2007.

Following the sale the Company will mainly consist of four Richoux restaurants in London located in Mayfair, Knightsbridge, Piccadilly and St Johns Wood. The Board is mindful that the Company will be very small for a listed company and whilst it is still actively seeking sites to expand this brand, it is also continuously reviewing the strategic options for the best outcome for shareholders.

Richard Scott, Chairman of Gourmet Holdings plc, said:

"The disposal of Bel and the Dragon is in line with our stated strategy and leaves the Company predominantly operating a single brand that is performing well. We have cash in the bank and will continue to explore the best options for the Company to maximise value for our shareholders."

21 May 2007

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