

D&D London owners cook up TGI Fridays takeover

The owners of some of London's most prominent restaurants are in talks to buy the UK operations of TGI Fridays, the casual dining chain whose parent company collapsed into administration last week.

Sky News has learnt that Breal Capital and Calveton, which acquired D&D London – owner of the German Gymnasium and Quaglino's restaurants – last year, are in advanced negotiations to take on TGI Fridays' British franchise.

Industry sources said the deal was likely to see the new owners taking over the majority of its 89 sites, but that a significant number of jobs were nevertheless expected to be lost.

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One analyst estimated that between 50 and 60 TGI Fridays sites were commercially viable, which they said was likely to mean the new owners would be able to save roughly three-quarters of TGI Fridays' current UK workforce of about 3200 people.

Hostmore, the parent company, said last week that it was [filing for administration](#) but that this would have no impact on Thursdays, the trading subsidiary.

However, the operating business is itself understood to have filed a notice of intention to appoint administrators on Monday.

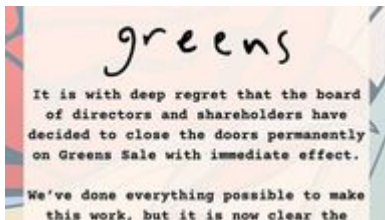
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"The board inherited a very challenging set of circumstances, but a focus on reducing costs, revising the Group's capital allocation policy and implementing both board and senior management changes, meant that the group was able to reduce annualised expenditures by £12m, significantly reduce losses from unprofitable stores, and operate the group's stores at a best in class efficiency level for the sector, all while improving guest scores to our highest levels on record,"

Hostmore said in a statement to the London Stock Exchange last week.

“Unfortunately, all of the board’s efforts to implement a lasting solution to support the long-term financial future of the business came against a highly challenging trading and macroeconomic backdrop, and efforts to create value for shareholders through the proposed acquisition of TGI Fridays, while well-advanced, encountered adverse events outside of the board’s control.”

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It was unclear how much Breal and Calveton were likely to pay for TGI Fridays in the UK, although one industry source expressed confidence in their ability to run a slimmed-down version of the business successfully.

“They are seasoned hospitality people,” the source said.

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The deal is understood to include the chain's existing leases and the right to use the TGI Fridays brand in the UK.

The collapse of TGI Fridays' UK parent comes less than six months after it struck a deal to reverse the US restaurant business of the same name into London-listed Hostmore.

Breal, Hostmore and Teneo, which is handling the administration, declined to comment, while Calveton could not be reached for comment.