

Press Release

FAMOUS BRANDS ACQUIRES HIGHLY SOUGHT AFTER MUGG & BEAN BRAND

Famous Brands Limited is pleased to announce the acquisition of the South African and African business of Mugg & Bean, the brand leader in the unique fast-casual, coffee-themed category.

Kevin Hedderwick, Chief Operating Officer of Famous Brands says, "The Group's stated strategic intent has always been to acquire and grow best-in-class franchised brands and the Mugg & Bean brand fits perfectly into this strategy. We are absolutely delighted at the acquisition of a brand, pioneered by one of our industry's legends, Ben Filmlalter and which has grown to become the iconic South African brand that it is today. A brand which, since inception has become sought after by potential franchise partners, landlords and consumers alike."

The Mugg & Bean franchise started in 1996, with the opening of the first restaurant in the V&A Waterfront in Cape Town. It has grown vigorously to 96 restaurants nationwide, all of which are franchised. Although coffee-themed, Mugg & Bean is perceived to be a restaurant rather than a coffee shop, and has achieved remarkable success in South Africa by fulfilling the growing need for premium fast-casual dining. Its patrons are typically shoppers and business people during the week and families on weekends.

Commenting on the transaction, Ben Filmlalter, founder and CEO of Mugg & Bean said, "Since its inception we have nurtured the Mugg & Bean concept and steered the business to the leading position it enjoys today. We are delighted to pass the torch to Famous Brands, whom we are confident will ensure that the concept is further developed and its success continued into the future."

Famous Brands has acquired the business of Mugg & Bean for a cash consideration of R104 million, the result of which will translate into Famous Brands' gearing level increasing to 56%. Famous Brands is comfortable with this debt level given it's strongly cash generative operations. The effective date of the transaction is 1 September 2009 subject to suspensive conditions which Famous Brands is confident will be met. There are no profit warranties in place.

The financial effects of the transaction are such that initially earnings per share and headline earnings per share will remain neutral.

Ben Filmlalter and Michael Maree will remain part of the management team for a three-month period to ensure a smooth hand over and integration of the business into Famous Brands whereafter their intention is to further develop the brand outside of South Africa and Africa. Their unique skills and experience will continue to be available to the local business working along side local management. The two vendors aside, it is Famous Brands' intention to retain the existing management and staff of Mugg & Bean, who are considered vital in terms of ensuring operational continuity of the business going forward.

"We have been interested in the Mugg & Bean business for a long time. We are confident of not only integrating it into our existing and unique business model, thereby extracting synergies and adding value as a consequence, but also rolling out the concept further across the South Africa and Africa landscape. We feel privileged to add this premium brand to our portfolio of leading brands," concludes Hedderwick.

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Background to Famous Brands:

Famous Brands is Africa's leading Quick Service Restaurant and Casual Dining franchisor and is also represented in the United Kingdom. The Group's global footprint now stands at 1,602 franchised restaurants across South Africa, 17 other African countries and the UK. Its brand portfolio includes Steers, Wimpy, Debonairs Pizza, FishAways, House of Coffees, Brazilian Café, tashas and now **Mugg & Bean**.

The Group manufactures and supplies its franchisees, the retail trade and broader hospitality industry with a wide range of meat, sauce, bakery, ice cream, fruit juice and mineral water products.