

## Press Release

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### **Apple American Receives Strategic Growth Investment from Goldman Sachs Capital Partners and Weston Presidio**

*Largest Applebee's® Franchisee to Use Proceeds from the Returning Investors to Continue Strong Growth through Multiple Initiatives*

*Weston Presidio Realizes Value through Sale of Interests to Goldman Sachs Capital Partners, Also Makes New Investment in Apple American; Goldman Sachs Capital Partners Invests in Apple American for Second Time*

INDEPENDENCE, OHIO, MAY 10, 2011 /PRNEWswire/ – Apple American Group LLC, the largest Applebee's® and U.S. casual dining franchisee, today announced that it has received a strategic growth investment from Goldman Sachs Capital Partners (GS Capital Partners), a global leader in private corporate equity investing, and Weston Presidio, a private equity investor focused on growth. Apple American's management team, led by its founder, chairman and chief executive officer Greg Flynn, also participated in the investment and will maintain a significant ownership position in the company. GS Capital Partners purchased certain of its interests from Weston Presidio, which first invested in Apple American in 2005 and will remain actively involved in support of Apple American and its leadership. GS Capital Partners was previously an investor in Apple American from 2001 to 2005.

“We are pleased to welcome GS Capital Partners as an investor for the second time and appreciate the continued support of our long-term partner Weston Presidio,” said Mr. Flynn. “We have benefited from Weston Presidio's involvement and look forward to their ongoing contributions as well as the new insight and support we will receive from GS Capital Partners. The firms' investments are a testament to the success we have achieved in superlative restaurant operations. We now have the added resources we will need to continue to grow through a variety of initiatives, including existing restaurant revitalizations, new restaurant development, and potential new acquisitions.”

Since its founding in 1998, Apple American has grown to become the largest Applebee's and U.S. casual dining franchisee with over \$700 million in annual sales and more than 16,000 employees. It is the fastest growing operator in the Applebee's system and today owns and operates 270 Applebee's Neighborhood Grill and Bar restaurants in California, Delaware, Indiana, Minnesota, New Jersey, Nevada, Ohio, Pennsylvania, Washington, West Virginia and Wisconsin. Its focus is to provide exceptional casual dining experiences to its guests, rewarding career opportunities to its employees and superior returns to its shareholders. Apple American works to do this by coupling local empowerment in each of its markets with deep resources and high standards at the corporate level.

“Apple American has experienced tremendous growth since its founding and we see a number of opportunities for additional expansion,” said Weston Presidio Partner Sean Honey. “The casual dining sector continues to outperform the broader U.S. restaurant industry, and we expect this

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trend to continue to benefit the established leaders in the space such as Apple American. We are pleased to have the opportunity to continue our association with Greg and his team, and we look forward to working closely with them and our new partners at GS Capital Partners to drive Apple American's growth."

"Greg and his team have done an outstanding job of delivering strong financial results by fostering a culture of continuous improvement and by creating a consistently enjoyable and affordable dining experience for Applebee's guests," said Brad Gross, a Managing Director who was also involved in GS Capital Partners' original investment in Apple American. "We are excited to have the opportunity to work with Greg and his team again, as well as with Weston Presidio, to help Apple American continue to execute its strategic plan and enable the next stage of its growth."

By offering consumers a broad menu of American grill classics along with new and innovative selections drawing on a varied palette of flavors, Applebee's has become one of the leading players in the \$41 billion casual dining space with over 2,000 restaurants worldwide. The scale and prominence of the Applebee's brand provides Apple American significant advantages in marketing, purchasing and other facets of its business.

North Point Advisors and Wells Fargo Securities advised Apple American on the transaction, and Davis Wright Tremaine served as legal counsel. Latham & Watkins served as legal counsel to Weston Presidio, while Fried Frank served as legal counsel to GS Capital Partners. Goldman, Sachs & Co. served as financial advisors to GS Capital Partners.

### **About Apple American Group**

Apple American Group owns and operates 270 Applebee's Neighborhood Grill and Bar restaurants in California, Delaware, Indiana, Minnesota, New Jersey, Ohio, Pennsylvania, Nevada, Washington, West Virginia and Wisconsin. With over 16,000 employees, Apple American is the largest franchisee in the Applebee's system, the largest U.S. casual dining franchisee, and the second largest franchisee of any concept in the U.S. More information is available at [www.appleamerican.com](http://www.appleamerican.com).

### **About Weston Presidio**

Weston Presidio, founded in 1991, is a private equity firm that has managed five investment funds aggregating over \$3.3 billion. The firm focuses its investment activities on growth companies in the consumer, business services and industrial growth sectors. With offices in Boston and San Francisco, Weston Presidio targets middle-market opportunities primarily in the United States. More information is available at [www.westonpresidio.com](http://www.westonpresidio.com).

### **About GS Capital Partners**

Since 1986, the Goldman Sachs Merchant Banking Division and its predecessor business areas have raised 16 private equity and principal debt investment funds aggregating over \$82 billion of capital (including leverage). GS Capital Partners VI is the current private equity vehicle through which Goldman Sachs conducts its large, privately negotiated, corporate equity

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investment activities. A global leader in private corporate equity investing, GS Capital Partners is a family of funds with a focus on large, high quality companies with strong management and funding acquisition or expansion across a range of industries and geographies. Founded in 1869, Goldman Sachs is a leading global financial services firm providing investment banking, securities and investment management services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. For more information, please visit [www.gs.com/pia](http://www.gs.com/pia).

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