



## Milestone Partners Recapitalizes Fatz Cafe

**Saint Davids, PA, June 24, 2008** – Milestone Partners is pleased to announce that on June 16, 2008 it completed the recapitalization of Cafe Enterprises, Inc. d/b/a Fatz Cafe ([www.fatzcafe.com](http://www.fatzcafe.com)) in partnership with company management led by CEO Steve Bruce. Bill Burton, the majority shareholder of the company, is retiring from his role as Chairman as part of this transaction, but will remain a minority shareholder and Board member going forward.

Headquartered in Greenville, SC, Fatz Cafe operates 43 company-owned full-service casual dining restaurants in North Carolina, South Carolina, Tennessee, Georgia and Virginia. Fatz Cafe is renowned for creating exceptional value for its guests with great food, friendly and efficient service, and a welcoming atmosphere, “Where Everyone’s a Regular”. Its defining principles have enhanced the Fatz Cafe brand and propelled the company from a hometown favorite to an expanding regional player.

CEO Steve Bruce commented, “We view our new partnership with Milestone as an extremely positive development that will enable us to continue supporting our core values of providing great food and service to our guests and facilitate the expansion of our concept. We appreciate Milestone Partners’ vote of confidence in our business and are pleased to be investing alongside them.” Bob Levine of Milestone added, “Fatz Cafe’s management team, market positioning, business model and operating discipline have allowed it to grow while consistently outperforming its peers. We are excited to work with the team at Fatz Cafe to continue that growth.”

GE Capital Solutions, Franchise Finance ([www.gefranchisefinance.com](http://www.gefranchisefinance.com)) and Madison Capital Funding ([www.nylim.com/madisoncapital](http://www.nylim.com/madisoncapital)) provided debt financing and co-invested equity alongside Milestone and management. Investment banking firm Hadley Partners ([www.hadleypartners.com](http://www.hadleypartners.com)) advised Fatz Cafe. For more information about the transaction, contact [Bob Levine](#) or [Geoff Veale](#) at Milestone Partners.

**Milestone Partners** is a private equity firm that partners with management to invest in leveraged buyouts and recapitalizations of lower middle market businesses. Milestone pursues niche-market leaders that produce or distribute high-margin products or services. Milestone’s transactions typically provide liquidity to shareholders of privately-owned businesses, facilitate the transition of ownership to key managers, and allow management to capitalize on growth opportunities while maintaining the legacy of the founders. Milestone is currently making investments through Milestone Partners III, L.P. Please visit [www.milestonepartners.com](http://www.milestonepartners.com).

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## Milestone Representative Investments:



**CODi**  
(corporate laptop cases & accessories)



**Higher Power Nutrition** (exited 12/07)  
(nutritional supplements)



**Dydacomp**  
(e-commerce and catalog software)



**Interconnect Devices**  
(electronic contact probes & connectors)



**Eliason**  
(commercial double-action impact doors)



**Knights Apparel**  
(licensed sports apparel)



**Fatz Cafe**  
(casual dining restaurant chain)



**Outlook Group**  
(printing, packaging & direct mail)



**Global Connection**  
(pre-paid wireline phone service)



**Safemark**  
(in-room hotel safes)



**Good Health Natural Foods**  
(natural foods & body care products)



**United Road Towing**  
(towing services)

## Milestone General Investment Criteria:

### **Company Size\*:**

- Revenue: \$15-\$150 million
- EBITDA: \$3-\$15 million

### **Transaction Size\*:**

- \$15-\$100 million

### **Investment Size\*:**

- \$5-\$25 million

### **Industry Focus:**

- Generalist; high-margin, niche-market manufacturers, value-added distributors and service companies

### **Geography:**

- United States and Canada

\*Add-on parameters may be smaller

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