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LNK Partners Completes \$250M Deal for Au Bon Pain By Paul Ziobro

3/4/2008 - LNK Partners has completed its \$250 million purchase of the soup-and-sandwich casual dining chain Au Bon Pain, in a deal that included \$100 million of equity from the consumer-focused firm's debut \$400 million fund.

The recapitalization, made in conjunction with company management, will help support the Boston-based chain's expansion in the U.S. and in select global markets after seeing two straight years of strong sales growth.

LNK signed a deal to buy the company in January, after being in talks with ABP Corp., the chain's holding company, since last summer. The deal closed Friday, Feb. 29.

The transaction allows PNC Mezzanine Capital and AlpInvest Partners to exit the investment after taking part in a \$90 million leveraged buyout in 2005.

U.K. food service company Compass Group PLC will continue to own a roughly 10% stake.

Founded 30 years ago, Au Bon Pain operates café-style eateries that focus on breakfast, lunch and light fare. It currently operates 226 cafes and had sales of almost \$300 million in 2007.

CapitalSource, the company's incumbent lender, provided senior debt in the deal, while Intermediate Capital Group provided mezzanine financing.

Piper Jaffray & Co. was financial adviser to LNK and Kirkland & Ellis LLP provided legal counsel to the White Plains, N.Y., buyout firm.

Au Bon Pain was advised by Atlanta-based investment bank Brookwood Associates and the law firm Nix Peabody LLP.