

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying form of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, so that they can pass on these documents onto the person who now holds the shares. If you are not sure what to do, please contact an appropriate independent professional adviser. If you have sold or transferred only part of your holding of shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately for advice on what action you should take.

Notice of the general meeting of The Restaurant Group plc to be held at 9.30 a.m. on 28 November 2018 at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD is set out in this document.

Your attention is drawn to the letter from the chairman of The Restaurant Group plc which is set out on pages 4 to 14 of this document and which recommends you to vote in favour of the resolutions to be proposed at the general meeting. You will find enclosed a form of proxy for use in connection with the general meeting.

Nothing in this document constitutes legal, financial, tax or other advice and does not take into account the particular investment objectives, financial situation, taxation position or needs of any person.

This document is sent to you for the purposes of inviting you to vote at the general meeting. It does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in Australia, Canada, Hong Kong, Japan, South Africa, the United States or any other jurisdiction where to do so might constitute a breach of any applicable law. This document is not a prospectus. **You, as a person in one of the aforementioned jurisdictions, are restricted from accessing certain materials that describe further such rights offering, including the reasons for such offering.** The securities referred herein have not been, and will not be, registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.



## **THE RESTAURANT GROUP PLC**

*(incorporated and registered in Scotland with registered number SC030343)*

### **Proposed Acquisition of Wagamama Group**

#### **Notice of General Meeting**

## NOTICE OF GENERAL MEETING

### The Restaurant Group plc

(incorporated and registered in Scotland with registered number SC030343)

**NOTICE IS HEREBY GIVEN** that a general meeting of The Restaurant Group plc (the **Company**) will be held at 9.30 a.m. on 28 November 2018 at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD (the **General Meeting**) for the purposes of considering and, if thought fit, passing the following resolutions which shall be proposed as ordinary resolutions (which means that for the resolution to be passed, more than half of the votes cast must be in favour of the resolution).

1. THAT, subject to the passing of resolution 2 below, the proposed acquisition of the entire issued and to be issued share capital of Mabel Topco Limited (**Wagamama**) (the **Acquisition**) pursuant to the terms and subject to the conditions contained in the share purchase agreement dated 30 October 2018 between (*inter alios*) TRG (Holdings) Limited as Purchaser, the Company as Purchaser Guarantor and certain shareholders of Wagamama and holders of awards over shares in Wagamama as Vendors (the **Share Purchase Agreement**) and all other agreements and ancillary arrangements contemplated by the Share Purchase Agreement be and is hereby approved and that any or all of the directors of the Company (the **Directors**) (or any duly constituted committee of the Directors) be and are hereby authorised to take all such steps as may be necessary, expedient or desirable in relation thereto and to implement the Acquisition with such modifications, variations, revisions or amendments (provided such modifications, variations or amendments are not of a material nature) as they shall deem necessary, expedient or desirable; and
2. THAT, subject to the passing of resolution 1 and subject to and conditional upon admission to listing on the premium listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's main market for listed securities of the new ordinary shares of 28.125 pence each to be issued by the Company in connection with the issue by way of rights of up to 290,430,689 new ordinary shares at a price of 108.5 pence per new ordinary share to qualifying shareholders on the register of members of the Company at the close of business on 26 November 2018 (the **Rights Issue**) and in addition, to the extent unutilised, to the authority conferred on them at the last annual general meeting of the Company on 23 May 2018, the Directors (or any duly constituted committee of the Directors) be and are hereby generally and unconditionally authorised, pursuant to and in accordance with section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for shares in the Company up to a nominal amount of £81,683,632 in connection with the Rights Issue, such authority to expire (unless previously revoked by the Company) at the close of business on 1 March 2019, except that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of such offers or agreements as if the power conferred hereby had not expired.

12 November 2018

By the order of the Board

Ace Company Services Limited  
Company Secretary

Registered office:  
1 George Square  
Glasgow  
G2 1AL

## Notes

1. Unless otherwise defined in this Notice, capitalised terms shall have the meaning given to them in the document to which this Notice is appended.
2. Any Shareholder entitled to attend and vote at the General Meeting is entitled to appoint 1 or more proxies to exercise any or all of its, his or her rights to attend, speak and vote at the General Meeting. A form of proxy to be used for appointing a proxy or proxies for the General Meeting has been provided to Shareholders with this Notice. Please complete and return the proxy form whether or not you intend to attend the General Meeting in person. The return of the proxy form will not prevent you from attending and voting at the General Meeting if you so wish. You can appoint the Chairman of the General Meeting to act as your proxy, or ask 1 or more persons of your choice to be your proxy. Your proxy does not have to be a Shareholder. There are notes on the proxy form explaining how you should complete it.
3. Shareholders may also appoint a proxy to vote on the Resolutions electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders who are not registered to vote electronically will need to enter the Voting ID, Task ID and Shareholder Reference ID set out in their Proxy Form. Alternatively, Shareholders who have already registered with Equiniti's Shareview service can appoint a proxy by logging onto their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote. The on-screen instructions give details on how to complete the appointment process. If Shareholders have any difficulties with online voting, they should contact Equiniti's shareholder helpline on 0333 207 6514 (or +44 (0)121 415 0993 for overseas callers).
4. Voting on the Resolutions will be conducted by way of a poll, rather than on a show of hands. This is a more transparent method of voting as Shareholders' votes are counted according to the number of shares registered in their names. The relevant voting procedures will be explained at the General Meeting. The total voting rights in the Company as at 9 November 2018 (being the Latest Practicable Date) were 201,067,400. As soon as practicable after the General Meeting, the results of the polls will be announced via a Regulatory Information Service and also placed on the Company website, [www.trgplc.com](http://www.trgplc.com).
5. To be valid, the completed proxy form must be received by the Company's Registrar, Equiniti Registrars, by no later than 9.30 a.m. on 26 November 2018 and should be addressed to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting by using the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (**Euroclear**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 9.30 a.m. on 26 November 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that its, his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Shareholders who have general queries about the General Meeting should either call the Registrar's helpline on +44 (0)121 415 0993; or write to the Registrar at Equiniti, Aspect House, Spencer Road, Lancing, BN99 6DA. No other methods of communication will be accepted.
7. The right of Shareholders to vote at the General Meeting is determined by reference to the Company's register of members (the **Register**). The Company has set a time and date for eligibility to attend the

General Meeting. Only those Shareholders registered at close of business on 26 November 2018 will be eligible to attend and vote at the General Meeting. The Company will disregard changes to entries on the Register after close of business on 26 November 2018. If the General Meeting were to be adjourned for any reason, then only those Shareholders registered in the Register at close of business on the day that is 2 Business Days prior to the day fixed for the adjourned General Meeting will be eligible to attend.

8. A person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between them and the Shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statements of the rights of Shareholders in relation to the appointment of proxies do not apply to Nominated Persons. Such rights can only be exercised by Shareholders.
9. Any corporate Shareholder may appoint 1 or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same shares.
10. The information required by section 311A of the Companies Act 2006 to be published in advance of the meeting, which includes the matters set out in this Notice and information relating to the voting rights of Shareholders, is available at [www.trgplc.com/investors](http://www.trgplc.com/investors).
11. Any Shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting except in certain circumstances including if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
12. As at 9 November 2018 (being the Latest Practicable Date) the Company's issued share capital consists of 201,067,400 Ordinary Shares of 28.125 pence each. The Company holds no Ordinary Shares in treasury.
13. You may not use any electronic address provided either in this Notice or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated. Shareholders are advised that, unless otherwise specified, the telephone numbers, website and email addresses set out in this Notice or any related documents (including the proxy form) are not to be used for the purpose of serving information or documents on the Company, including the service of documents or information relating to any proceedings.
14. You may not use any electronic address provided either in this Notice or any related documents to communicate with the Company for any purpose other than as expressly stated. Information about this General Meeting is available from the Company's investor relations web page: [www.trgplc.com/investors](http://www.trgplc.com/investors).

## LETTER FROM THE CHAIRMAN

### The Restaurant Group plc

(incorporated and registered in Scotland with registered number SC030343)

#### Directors:

Debbie Hewitt MBE, *Independent Non-Executive Chairman*  
Andy McCue, *Chief Executive Officer*  
Kirk Davis, *Chief Financial Officer*  
Simon Cloke, *Senior Independent Non-Executive Director*  
Graham Clemett, *Independent Non-Executive Director*  
Mike Tye, *Independent Non-Executive Director*

#### Registered Office:

1 George Square, Glasgow G2 1AL

12 November 2018

*To the holders of Ordinary Shares*

Dear Shareholder,

### **Proposed acquisition of Wagamama, proposed 13 for 9 Rights Issue of up to 290,430,689 New Ordinary Shares at 108.5 pence per New Ordinary Share and Notice of General Meeting**

#### **1. Introduction**

On 30 October 2018, TRG announced that it had reached agreement on the terms of the proposed acquisition of Wagamama for a cash payment of £357 million (**Acquisition**).<sup>1</sup> This represents an enterprise value of £559 million, which implies a multiple of 8.7 times LTM August 2018 EBITDA including cost and site conversion synergies.<sup>2</sup>

Wagamama is a leading pan-Asian restaurant brand operating primarily in the UK casual dining market. Established in 1992, as at 19 August 2018 Wagamama operated 133 directly-operated restaurants in the United Kingdom and 5 directly-operated restaurants in the United States, and had 58 franchised restaurants across Europe, the Middle East and New Zealand. The key terms of the Acquisition are described in Part III (*Terms and Conditions of the Acquisition*) of this document. The Acquisition constitutes a Class 1 transaction under the Listing Rules as a result of the size of Wagamama relative to TRG. The Acquisition is therefore conditional upon the approval of Shareholders.

TRG also announced on 30 October 2018 that it proposes to partly finance the Acquisition by undertaking a Rights Issue to raise total gross proceeds of £315 million. Under the terms of the Rights Issue, up to 290,430,689 New Ordinary Shares at a price of 108.5 pence per New Ordinary Share will be issued. The proceeds of the Rights Issue will be used to partly finance the Acquisition and to pay certain costs and expenses. The Rights Issue is, amongst other things, conditional upon Shareholders' approval of the Resolutions.

<sup>1</sup> The cash payment is expected to consist of £207 million in respect of the consideration for the entire issued share capital of Wagamama, and £150 million in respect of a repayment of shareholder loans. The cash payment is based on an expected completion date of mid-December 2018 and is subject to closing adjustments.

<sup>2</sup> The calculation is based on:

- Wagamama LTM August 2018 Adjusted EBITDA of £45.9 million; less
- pre-opening costs of £3.4 million; plus
- cost synergies of £15 million; plus
- site conversion synergies of £7 million.

Wagamama LTM August 2018 Adjusted EBITDA has been derived from the audited annual financial statements of Mabel Mezzco Limited for the 53 weeks ended 29 April 2018 and the unaudited interim financial information of Mabel Mezzco Limited for the 16-week periods ended 19 August 2018 and 13 August 2017, each prepared in accordance with UK GAAP (FRS 102). Wagamama's definition of Adjusted EBITDA differs from the definition of Adjusted EBITDA used in this document; differences include (but are not limited to) the exclusion of pre-opening costs and certain corporate expenses from Wagamama's definition of Adjusted EBITDA that are not excluded from the definition of Adjusted EBITDA in this document. Wagamama's Adjusted EBITDA for the purposes of this paragraph was calculated on the basis of UK GAAP financial information, not IFRS, and should not be considered as a substitute for measures calculated using an IFRS basis. The figures underlying Wagamama's Adjusted EBITDA are not audited.

In addition to the proceeds of the Rights Issue, the Acquisition will be financed through drawing on a £220 million revolving credit facility that has been underwritten for TRG by the Royal Bank of Canada as arranger and original lender and RBC Europe Limited as agent (**Debt Facility**).

A General Meeting has been convened for 9.30 a.m. on 28 November 2018 at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD for Shareholders to consider and, if thought fit, approve the Resolutions. An explanation of the Resolutions is set out in Section 13 of this Part I.

I am writing to give you further details of the Acquisition and the Rights Issue, including the background to and reasons for the Acquisition, to explain why the Board considers the Acquisition to be in the best interests of TRG and the Shareholders as a whole and to seek your approval of the Resolutions.

## **2. Background, strategy and rationale for the Acquisition and the Rights Issue**

### **2.1 Background and strategy**

The TRG Group operates across 3 business divisions: Leisure, Pubs and Concessions.

In TRG FY 2016, the TRG Group's trading performance exposed certain issues across its Leisure business. As a result, the TRG Group conducted a comprehensive operating strategy review of the business and, under the leadership of Andy McCue, developed a turnaround plan which comprises the following 4 key elements: (i) re-establish the competitiveness of the Leisure brands; (ii) serve customers better and more efficiently; (iii) grow the Pubs and Concessions businesses; and (iv) build a leaner, faster and more focused organisation.

Over the past 2 years, TRG has made significant progress towards each objective of this plan, thereby creating a more competitive and balanced business which is more closely focused on the high growth segments of the markets in which the TRG Group operates.

In TRG H1 2018, TRG's Pubs and Concessions businesses contributed 51 per cent. of the TRG Group's Outlet EBITDA. These businesses have consistently performed well over recent years and TRG continues to see significant potential for growth in these areas, in line with the plan set out above. TRG's pub-restaurants benefit from being situated in strong locations with attractive market dynamics and from the TRG Group's strong operational capabilities in pubs. TRG's healthy organic pipeline is now being supplemented with bolt-on acquisitions at the premium end of the market, recently evidenced through the acquisition of Food & Fuel Limited in August 2018, comprising 11 pubs predominantly located in affluent London neighbourhoods. TRG's Concessions business, which is primarily focused on UK airports, continues to benefit from passenger growth and TRG is exploiting opportunities for new space as airports invest further in terminals, capacity and food and beverage offerings. Furthermore, given TRG's strength and capability to develop and operate a broad range of formats, TRG sees potential over the medium term for growth into international airports, as well as further UK concessions away from airports, in other transport hubs.

In TRG H1 2018, TRG's Leisure business contributed 49 per cent. of the TRG Group's Outlet EBITDA. Within the Leisure division, TRG has a strong site portfolio and over the last 2 years has made significant progress in re-establishing the competitiveness of the Leisure brands by investing significantly to give customers improved food quality and better value and service. TRG's Leisure business does, however, remain exposed to headwinds which include the well-documented retail structural decline (with 57 per cent of TRG's Leisure sites directly neighbouring retail sites), exposure to saturated local markets and property costs which in some instances do not reflect current local market conditions.

Given this context, TRG recognises that investing in differentiated propositions which are aligned to consumer trends is critical to its future success. TRG is focused on consumer trends such as the demands for speed of service, convenience (both at the restaurant and through delivery) and healthy alternatives. TRG continues to expect the delivery market to grow quickly, with delivery being a disruptive force that may create significant strategic opportunities, particularly for operators with the right scale, brands and capability set. It is with these structural trends in mind that TRG is extremely excited about the opportunity to acquire Wagamama.

### **2.2 Rationale for the Acquisition**

#### ***Differentiated proposition aligned to structural growth trends***

Wagamama has a strong competitive advantage as the only UK pan-Asian brand concept with scale, having more than 3 times the sales of the next largest branded UK operator in Asian cuisine, a category that is fast growing and fragmented.

The Wagamama brand is well perceived by customers in the UK, as evidenced by consistently ranking in the top 3 on Net Promoter Score (NPS) among large mainstream brands and achieving high ratings across key customer demographics (social demographic and life stage).

TRG believes that the Wagamama brand is well-positioned to benefit from a number of consumer trends, including the increased focus on healthy options, high interest in Asian food, and the consumer demand for speedy service and convenience through delivery.

The Wagamama brand appeals to customers across different day parts, with a visit split of 1 per cent. over breakfast, 35 per cent. over lunch, 21 per cent. in the late afternoon, 38 per cent. in the evening, and 5 per cent. in the late evening.

### ***Track record of consistent outperformance***

Wagamama opened its first restaurant in London in 1992 and has achieved more than 25 years of continued estate expansion to 196 directly-operated and franchised restaurants as at 19 August 2018.

In recent years, Wagamama has demonstrated a strong track record of like-for-like revenue growth with 233 consecutive weeks trading ahead of the market, as measured by the Coffey-Peach tracker. Between Wagamama FY 2015 and Wagamama FY 2018, the annual like-for-like growth was 9.6 per cent. on average, 8.5 per cent. ahead of the market, as measured by the Coffey-Peach tracker. Wagamama delivered a 17 per cent. revenue CAGR (**compound annual growth rate**) between Wagamama FY 2015 and Wagamama FY 2018. Over the same period, Wagamama delivered a 14 per cent. Adjusted EBITDA CAGR.

### ***Accelerates growth potential for both businesses***

The standalone growth prospects of Wagamama remain highly attractive. TRG believes that there remains scope for continued like-for-like revenue growth, and that there is headroom to grow the size of Wagamama's UK estate by approximately 40 to 60 additional restaurants without saturation. Furthermore, TRG believes that there is an opportunity to accelerate Wagamama's growth, capitalising on the Enlarged Group's site portfolio, scale and relationships.

Following Completion, TRG believes that the Enlarged Group will be well equipped to address a number of compelling growth avenues, including the following:

- (i) further roll-out of the Wagamama brand in the UK, including in the Concessions channel;
- (ii) delivery;
- (iii) international expansion; and
- (iv) convenience.

***Further roll-out of the Wagamama brand in the UK, including in the Concessions channel:*** TRG is well placed to further accelerate Wagamama's UK roll-out, and TRG sees potential for a further 40 to 60 Wagamama sites. In addition, TRG expects to convert approximately 15 TRG sites to the Wagamama brand, with an expected incremental EBITDA benefit of approximately £7 million per annum at maturity. Furthermore, TRG believes that there is an opportunity to leverage its existing Concessions relationships, including those built through its presence in 14 airports across the UK, to build Wagamama's presence in Concessions (currently 3 sites nationwide).

***Delivery:*** The TRG Board believes that delivery represents a significant area of opportunity, and Wagamama is already 1 of the top brands on the online delivery platform Deliveroo. Following the Acquisition, the Enlarged Group will be well positioned to invest behind structural growth in the delivery space including through delivery-only kitchens (where Wagamama has an early-mover advantage), in digital capabilities and in online brands.

***International:*** Wagamama has an international presence and proven customer resonance in markets outside the UK. TRG believes that Wagamama can be a 'calling card' brand enabling expansion through international concessions. Further options for international growth will be explored, considering geographies and customer preferences within each territory, rate of growth and appropriate ownership models.

***Convenience:*** TRG believes that pan-Asian food is very adaptable to convenience formats and, as a first step, expects to pilot a food-to-go format in London which would have future application in Concessions.

### ***Enlarged Group strongly growth oriented with leading scale advantage***

Following the acquisition of Wagamama, TRG expects that circa 70 per cent. of the Enlarged Group's Outlet EBITDA will originate from high growth segments of the market, namely TRG's Pubs and Concessions businesses and Wagamama.

The Enlarged Group will benefit from leading scale, specifically benefiting from buying power, delivery scale, the capacity to invest in growth, market leading operational capabilities and the ability to invest in and attract the best people.

### ***Enhances shareholder value with attractive financial returns***

The Board believes that the Acquisition will enhance shareholder value. The Board expects that the Acquisition will be marginally earnings dilutive in the first full year following Completion (the financial year ended December 2019) and strongly accretive in each financial year thereafter.<sup>3</sup>

Furthermore, the Directors expect TRG's return on invested capital associated with the Acquisition to exceed its cost of capital in the third full year after Completion (the financial year ended December 2021).

The Board believes that the Acquisition presents an opportunity to deliver cost synergies across the following areas, with the majority of the benefits expected to arise through scale benefits and efficiencies in third party spend as follows:

- (A) *Procurement*: including scale benefits in food and drinks categories, supplier consolidation and through leverage of best practice purchasing practices.
- (B) *Logistics*: through combining logistics and distribution activities across the integrated site network.
- (C) *Site overheads*: from a reduction in site costs, such as repair, establishment and point of sale costs.
- (D) *Central overheads*: from consolidation of duplicate spend in central functions.

The Board believes that, whilst continuing to grow Wagamama as an autonomous division, TRG can achieve pre-tax cost synergies of approximately £15 million relative to the pre-Acquisition cost base. The Board expects the initial benefit from synergies in the first financial year post-Completion (the financial year ended December 2019), with at least 50 per cent. of pre-tax cost synergies realised in year 2 following Completion and full pre-tax cost synergies realised in year 3 following Completion and thereafter. The Board expects that the realisation of these synergies will require one-off cash costs of up to £13 million over the 3 financial years post-Completion, largely incurred in years 1 and 2 following Completion.

The Board also believes that there is an opportunity for site conversion synergies through the conversion of sites currently operating under TRG's Leisure brands into Wagamama sites. The Board expects to convert approximately 15 sites by December 2020, with a run-rate incremental benefit of approximately £7 million to EBITDA expected to be achieved in the financial year ended December 2021. In order to achieve this, the Board expects to incur capital expenditure of approximately £13 million over the 2 financial years post-Completion.

In developing the synergy benefits, the TRG Board has undertaken a robust process covering the following steps:

- (A) The TRG Board has worked to evaluate and assess the potential synergies available from the Acquisition.
- (B) The assessment and quantification of the potential synergies has been informed by the TRG Board's industry experience, knowledge of TRG and Wagamama and information gained from the due diligence process in respect of Wagamama.
- (C) The cost synergies are within the influence of the TRG Board, albeit the procurement synergies are dependent upon confirmation of agreements with suppliers.
- (D) The site conversion benefit reflects assumptions and judgements made about how certain TRG sites would trade were they to be converted to the Wagamama brand with reference to the performance of comparable sites from a demographic and location perspective.
- (E) The cost synergies have been assessed relative to the pre-Acquisition cost base of Wagamama for Wagamama FY 2018 and of TRG for LTM August 2018.
- (F) The site conversion benefit has been assessed relative to the LTM August 2018 performance of the existing TRG sites and the Wagamama FY 2018 performance of Wagamama sites.

<sup>3</sup> The earnings impact reflects TRG's prevailing share price and, as a consequence, this statement has been updated from that made in the announcement of the Acquisition on 30 October 2018.



The cost and site conversion synergies indicated above are contingent on Completion and could not be achieved by TRG and Wagamama operating independently. The Board confirms that the narrative above reflects both the beneficial elements and relevant costs associated in achieving these cost and site conversion synergies.

### **3. Summary information on TRG**

TRG operates across 3 business divisions: Leisure, Pubs and Concessions and is a significant participant in the UK casual dining market.

TRG's Leisure business comprised 381 casual dining restaurants as at 26 August 2018, operating under the following well-known brands: Frankie & Benny's, Chiquito, Coast to Coast, Garfunkel's, Firejacks, Filling Station and Joe's Kitchen. TRG's restaurant outlets are located across the UK, predominantly in retail and leisure parks. Frankie & Benny's, which offers classic New York Italian-style food and drinks, is TRG's largest restaurant brand, with 258 outlets in the UK (as at 26 August 2018). Chiquito is the UK's largest Tex-Mex restaurant chain, with 85 outlets in the UK (as at 26 August 2018). The newest brand in TRG's Leisure business is Firejacks, which serves flame-grilled steaks and burgers. The first Firejacks outlet, opened in August 2017, was a conversion of a Coast to Coast outlet in Northampton. TRG has since opened 4 additional Firejacks restaurants.

TRG's Pubs business operated 66 pub restaurants as at 26 August 2018, predominantly situated in rural locations and offering locally sourced menus. Several of TRG's pub restaurants have featured in the annual UK 'Good Pub Guide'.

As at 26 August 2018, TRG's Concessions business had 64 outlets, predominantly situated across 14 major airports and 5 railway stations in the UK. TRG's Concessions outlets operate over 30 brands.

TRG had over 15,000 employees as at 26 August 2018. For TRG FY 2017, TRG reported revenue of £679.3 million (2016: £710.7 million), generated Adjusted EBITDA of £95.1 million (2016: £121.0 million) and Adjusted PBT of £56.7 million (2016: £77.1 million). As at 26 August 2018, TRG had net assets of £196.9 million.

### **4. Summary information on Wagamama**

Founded in London in 1992, Wagamama operates a chain of popular restaurants offering pan-Asian inspired cuisine under its trading brand, "wagamama". As at 19 August 2018, Wagamama's restaurant portfolio comprised 138 directly-operated restaurants in the UK and the US and 58 franchised restaurants in Europe, the Middle East and New Zealand.

Wagamama has a commitment to fast-cooked, fresh and healthy pan-Asian cuisine. Wagamama's focus is on feeding the "mind, body and soul", meaning the food must both "look and taste beautiful". All food is freshly cooked and customers may personalise any dish. The menu includes a range of accessible, entry-level dishes—under £5 for small dishes or £10 for mains—alongside more expensive options.

Since founding, Wagamama has grown the UK portfolio to 133 directly-operated restaurants (as at 19 August 2018). Wagamama's UK restaurants are spread geographically and in a mixture of locations: as at 19 August 2018, towns and cities (excluding London) accounted for 41 per cent. of the total UK restaurant estate, shopping centres accounted for 32 per cent., London (excluding shopping centres) accounted for 25 per cent. and Airports accounted for 2 per cent. The UK leasehold restaurants are all in properties averaging approximately 4,300 square feet in size, and approximately half have been extensively refurbished over the last 3 years.

Wagamama opened its first restaurant in the US in 2007. Since then it has grown its US footprint to 5 directly-operated sites as at 19 August 2018. Wagamama's US business has a local management team and manages its own supply chain and operations, although it continues to leverage the UK head office and infrastructure where needed. Additionally, Wagamama has a presence in Europe, the Middle East and New Zealand via 58 franchised restaurants in 23 countries, as at 19 August 2018. Franchise arrangements are with a variety of partners, which each have exclusivity for a specific territory. Franchisees operate their own supply chain using a mixture of Wagamama's suppliers (under their own contracts) and their own suppliers.

Wagamama's sites have a predominantly long leasehold property asset base: as at 19 August 2018, 73 per cent. of sites had greater than 10 years left on their lease contract.

Wagamama is headquartered in London and had over 6,000 employees as at 19 August 2018. For Wagamama FY 2018, Wagamama generated Adjusted EBITDA of £42.3 million (2017: £40.2 million). As at 19 August 2018, Wagamama had total assets of £304.9 million.

## 5. Summary of the key terms of the Acquisition

### *Share Purchase Agreement*

On 30 October 2018, TRG, TRG Holdings and the Wagamama Vendors entered into an agreement (**Share Purchase Agreement**) under which TRG Holdings has agreed, on the terms and subject to the conditions of the Share Purchase Agreement, to acquire the entire issued share capital of Wagamama for a cash payment of £357 million.<sup>4</sup> On Completion, Wagamama will become an indirect wholly-owned subsidiary of TRG.

### *Shareholder approvals*

The size of the Acquisition means that it is classed as a Class 1 transaction under the Listing Rules. As such, TRG is seeking the approval of Shareholders for the Acquisition at the General Meeting, which has been convened for 9.30 a.m. on 28 November 2018 at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD. Shareholders will be asked to vote in favour of the Resolutions.

The TRG Directors intend to vote in favour of the Resolutions in relation to their beneficial holdings, which amount to approximately 0.11 per cent. of TRG's existing issued ordinary share capital as at the Latest Practicable Date.

### *Conditions*

Completion of the Acquisition is subject to, and can only occur upon satisfaction or waiver of, the following conditions:

- the approval of the Resolutions by Shareholders at the General Meeting; and
- Admission having occurred.

### *Break fee*

If the Share Purchase Agreement is terminated in the event that the Conditions are not satisfied or waived by 4 December 2018 (or, in certain circumstances where TRG is required to issue a supplementary circular or prospectus, by 14 December 2018), TRG announces that the Board no longer intends to give, or intends to withdraw, modify, qualify or amend its recommendation that Shareholders vote in favour of the Resolutions, or such recommendation is withdrawn, modified, qualified or amended, then TRG must pay a break fee of £5,975,723 to the Wagamama Vendors.

### *Management Warranty Deed*

On 30 October 2018, TRG Holdings and the Management Warrantors entered into an agreement (**Management Warranty Deed**) under which the Management Warrantors have given to TRG Holdings customary warranties relating to Wagamama's business and tax position. The Company has arranged a warranty and indemnity insurance policy to provide cover up to £56,650,000 million in respect of those warranties (subject to certain exceptions and limitations) (**Warranty and Indemnity Insurance Policy**).

Further details of the Share Purchase Agreement, the Management Warranty Deed and Warranty and Indemnity Insurance Policy are set out in Part III (*Terms and Conditions of the Acquisition*) of this document.

## 6. Financing the Acquisition

The Acquisition will be funded through a combination of the Rights Issue, the Debt Facility and existing cash on balance sheet.

The Rights Issue will raise circa £315 million of gross proceeds. The Rights Issue has been fully underwritten by J.P. Morgan.

<sup>4</sup> The cash payment is expected to consist of £207 million in respect of the consideration for the entire issued share capital of Wagamama, and £150 million in respect of a repayment of shareholder loans. The cash payment is based on an expected completion date of mid-December 2018 and is subject to closing adjustments.

In addition to the proceeds of the Rights Issue, the Acquisition will be financed through drawing on the Debt Facility. TRG will assume Net Debt of £202 million at Wagamama, which includes the £225 million Wagamama Notes which are expected to remain outstanding immediately following Completion by virtue of the terms and conditions governing the Wagamama Notes which, subject to certain conditions having been met, allow for a change in the beneficial ownership of the issuer without requiring an offer to be made to noteholders to repurchase the Wagamama Notes.

The Board believes that the Enlarged Group will be strongly cash generative and that the financing structure for the Acquisition is appropriate. On a LTM basis, the leverage ratio is approximately 2.5 times Net Debt/LTM EBITDA<sup>5</sup> or 2.2 times Net Debt/LTM EBITDA if the full annualised pre-tax synergies of approximately £22 million were taken into account in calculating LTM EBITDA. The Board expects the leverage ratio to fall below 2 times Net Debt/LTM EBITDA by December 2020.

Details of the Rights Issue are set out at Part II (*Details of the Rights Issue*) of this document. Details of the Debt Facility are set out at Section 6.1(E) of Part XIII (*Additional Information*) of this document.

## **7. Management and employees**

Wagamama's people have been critical to its success and the business has developed a cohesive, people-focused culture. In order to maintain its vision, culture and values, which have helped to drive performance over the years, TRG plans to operate Wagamama as an autonomous business within the Enlarged Group.

Jane Holbrook, current CEO of Wagamama, has decided to leave the business upon Completion, having agreed some time ago that she would step down around the time of the next change of ownership. Emma Woods, Chief Growth Officer at Wagamama, will be promoted to CEO of Wagamama, reporting to Andy McCue, and will lead the business supported by the existing management team. Allan Leighton, current Chairman of Wagamama, will join the TRG Board as a Non-Executive Director upon Completion.

## **8. Principal terms of the Rights Issue**

TRG is proposing to raise approximately £305 million (net of expenses) pursuant to the Rights Issue. The Rights Issue is being fully underwritten by the Underwriter, subject to certain customary conditions. The Rights Issue Price of 108.5 pence per New Ordinary Share represents a 56.9 per cent. discount to the closing middle market price of TRG of 251.8 pence per Ordinary Share on 9 November 2018, the latest Business Day prior to the announcement of the Rights Issue and a 35.1 per cent. discount to the Theoretical Ex Rights Price of 167.1 pence per New Ordinary Share calculated by reference to the closing middle market price on the same basis.

Subject to the fulfilment of, among other things, the conditions set out below, the Company will offer up to 290,430,689 New Ordinary Shares to Qualifying Shareholders at a Rights Issue Price of 108.5 pence per New Ordinary Share, payable in full on acceptance. The Rights Issue will be offered on the basis of:

### **13 New Ordinary Shares for every 9 Existing Ordinary Shares**

held on the Record Date, and so in proportion to any other number of Existing Ordinary Shares then held and otherwise on the terms and conditions set out in this document.

<sup>5</sup> The calculation is based on:

- Wagamama LTM August 2018 Adjusted EBITDA of £45.9 million; less
- pre-opening costs of £3.4 million; plus
- cost synergies of £15 million; plus
- site conversion synergies of £7 million.

Wagamama LTM August 2018 Adjusted EBITDA has been derived from the audited annual financial statements of Mabel Mezzco Limited for the 53 weeks ended 29 April 2018 and the unaudited interim financial information of Mabel Mezzco Limited for the 16-week periods ended 19 August 2018 and 13 August 2017, each prepared in accordance with UK GAAP (FRS 102). Wagamama's definition of Adjusted EBITDA differs from the definition of Adjusted EBITDA used in this document; differences include (but are not limited to) the exclusion of pre-opening costs and certain corporate expenses from Wagamama's definition of Adjusted EBITDA that are not excluded from the definition of Adjusted EBITDA in this document. Wagamama's Adjusted EBITDA for the purposes of this paragraph was calculated on the basis of UK GAAP financial information, not IFRS, and should not be considered as a substitute for measures calculated using an IFRS basis. The figures underlying Wagamama's Adjusted EBITDA are not audited.

Qualifying Non-CREST Shareholders with registered addresses in the United States or in any of the other Excluded Territories will not be sent Provisional Allotment Letters and will not have their CREST stock accounts credited with Nil Paid Rights, except where the Company and the Underwriter are satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in such jurisdiction.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares.

The Rights Issue is conditional, among other things, upon:

- (A) the passing of the Resolutions at the General Meeting;
- (B) the Company having applied to Euroclear for admission of the Nil Paid Rights and Fully Paid Rights to CREST as participating securities, and no notification having been received from Euroclear on or before Admission that such admission or facility for holding and settlement has been or is to be refused;
- (C) Admission becoming effective by not later than 8.00 a.m. on 29 November 2018 (or such later time and/or date as the Underwriter and the Company may agree in advance in writing); and
- (D) the Underwriting Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been rescinded or terminated in accordance with its terms prior to Admission.

Application will be made for the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in the New Ordinary Shares, fully paid, will commence at 8.00 a.m. on 14 December 2018.

The Rights Issue is not conditional on Completion. The Rights Issue may therefore complete while the Acquisition does not. In the event that Admission is effected but Completion does not occur, the TRG Directors' current intention is that the proceeds of the Rights Issue will be applied to reducing the Company's net indebtedness on a short term basis, specifically borrowings under the TRG Existing Revolving Credit Facility, while the TRG Directors evaluate alternative uses of the funds. If no such uses can be found, the TRG Directors will consider how best to return surplus capital to Shareholders. Such a return could carry fiscal costs for certain Shareholders, will have costs for TRG and would be subject to applicable securities laws.

The Executive Directors, who collectively hold 0.07 per cent. of TRG's total issued ordinary share capital as at the Latest Practicable Date will take their full pro rata entitlement under the terms of the Rights Issue to maintain their shareholdings in TRG, demonstrating their strong ongoing commitment to the TRG business and, following Completion, to the Enlarged Group.

The Non-Executive Directors are fully supportive of the Rights Issue. Each of the Non-Executive Directors who hold Ordinary Shares intends to take up in full his or her rights to subscribe for New Ordinary Shares under the Rights Issue.

## **9. Dividends**

TRG paid total dividends of 17.4 pence per share in respect of TRG FY 2017 (2016: 17.4 pence per share; 2015: 17.4 pence per share). An interim dividend of 6.8 pence per share was paid in relation to TRG H1 2018 (2017: 6.8 pence per share; 2016: 6.8 pence per share).

The Board believes that, following Completion, it is appropriate for the Enlarged Group to adopt a policy of paying a dividend covered 2 times by earnings before Exceptional Items. This dividend policy will be reflected in the final dividend that the Company declares for TRG FY 2018.

The Board believes that the funding structure and this dividend policy will result in an appropriate balance between delivering shareholder returns, enabling the Company to invest in further growth and enabling the Company to achieve an appropriate deleveraging profile.

## 10. Current trading, trends and prospects

### **TRG**

After 42 weeks' trading in TRG FY 2018, total sales were down 0.5 per cent. on the comparable period in TRG FY 2017 and like-for-like sales were down 2.2 per cent. Since the announcement of TRG's results for TRG H1 2018 on 31 August 2018, TRG has continued to make good progress, and like-for-like sales were up 1.4 per cent. in the 14 week period since the end of the FIFA World Cup.

### **Wagamama**

The Wagamama Group continues to enhance its position as the only pan-Asian restaurant operator of scale in the United Kingdom and remains confident in its short-term and long-term international growth prospects. In Wagamama FY 2018, Wagamama continued to strengthen both its brand and its team through new local and national marketing campaigns as well as team training and development opportunities. Wagamama also expanded its collection and use of customer feedback with the launch of an upgraded feedback platform and Wagamama expects this investment to add value across all 3 of its business channels (eat-in, take-away and delivery). Wagamama believes that it is well-positioned for another year of continued growth.

For the 11 week period from 20 August 2018 to 4 November 2018, Wagamama's like-for-like sales increased by 12.2 per cent. As of 4 November 2018, Wagamama's like-for-like sales had outperformed the market, as measured by the Coffey-Peach tracker, for 233 consecutive weeks<sup>6</sup>.

## 11. Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Ordinary Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document, a Provisional Allotment Letter and any other document in relation to the Rights Issue to such persons, is drawn to the information which appears in Section 9 of Part II (*Details of the Rights Issue*) of this document.

New Ordinary Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders, including Overseas Shareholders. However, subject to certain exceptions, Provisional Allotment Letters will not be sent to Qualifying non-CREST Shareholders with registered addresses, or who are resident in or located, in the United States or the Excluded Territories, nor will the CREST stock account of Qualifying CREST Shareholders with registered addresses, or who are resident or located, in the United States or the Excluded Territories be credited with Nil Paid Rights. The notice in the London Gazette referred to in Section 9(F) of Part II (*Details of the Rights Issue*) of this document will state where a Provisional Allotment Letter may be inspected or obtained. Any person with a registered address, or who is resident or located, in the United States or any Excluded Territory who obtains a copy of this document or a Provisional Allotment Letter is required to disregard them, except with the consent of the Company.

Notwithstanding any other provision of this document or the Provisional Allotment Letter, the Company reserves the right to permit any Qualifying Shareholder to take up its, his or her rights if the Company in its sole and absolute discretion is satisfied that the transaction in question will not violate applicable laws.

The Company has made arrangements under which the Underwriter will use reasonable endeavours to find subscribers for the New Ordinary Shares provisionally allotted to such Shareholders by 5.00 p.m. on the second Dealing Day after the last date for acceptance of the Rights Issue. If the Underwriter finds subscribers and is able to achieve a premium over the Rights Issue Price and the related expenses of procuring those subscribers (including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), such Shareholders will be sent a cheque for the amount of that aggregate premium above the Issue Price less related expenses (including any applicable brokerage and commissions and amounts in respect of VAT which are not recoverable), so long as the amount in question is at least £5. If any person in the United States or an Excluded Territory receives a Provisional Allotment Letter, that person should not seek to, and will not be able to, take up its, his or her rights thereunder, except as described in Section 9 of Part II (*Details of the Rights Issue*) of this document. The provisions of Section 6 of Part II (*Details of the Rights Issue*) of this document will apply to Overseas Shareholders who cannot or do not take up the New Shares provisionally allotted to them.

<sup>6</sup> These preliminary financial results are derived from Wagamama's accounting records and internal management accounts. This information has not been audited, reviewed or compiled, nor have any procedures been performed by Wagamama's independent auditors with respect thereto.

## 12. Employee Share Schemes

Participants in the Employee Share Schemes will be advised separately of adjustments (if any) to their rights or as to any entitlement to participate in the Rights Issue.

## 13. General Meeting

A notice convening a General Meeting to be held at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD at 9.30 a.m. on 28 November 2018 at which the Resolutions will be proposed is set out at the end of this document. The purpose of the General Meeting is to consider and, if thought fit, pass the Resolutions, as set out in full in the Notice of General Meeting.

**Your attention is again drawn to the fact that the Rights Issue and the Acquisition are conditional and dependent upon the Resolutions being passed** (there are also additional conditions which must be satisfied before the Acquisition can be completed). Because of the size of Wagamama when compared with TRG, the Acquisition is classified under the Listing Rules as a Class 1 transaction and its implementation requires the approval of Shareholders.

However, Shareholders should be aware that it is possible that, after the Rights Issue becomes unconditional, the Acquisition could fail to complete. This possibility is discussed further in Section 1 of Part II (*Details of the Rights Issue*) of this document.

The Resolutions propose that:

- (A) the Acquisition be approved and that the TRG Directors be authorised to take all steps and enter into all agreements and arrangements necessary or desirable to implement the Acquisition; and
- (B) the TRG Directors be authorised to allot up to 290,430,689 Ordinary Shares, representing approximately 144 per cent. of the Company's current issued share capital. This will provide the TRG Directors with the necessary authority and power under the Companies Act 2006 to proceed with the issue of the New Ordinary Shares in connection with the Rights Issue. The authority will expire at the close of business on 1 March 2019.

Further details in relation to the Resolution at (B) above are provided at Section 2.4 of Part XIII (*Additional Information*) of this document.

The Resolutions will be proposed as ordinary resolutions requiring a simple majority of votes in favour. The Resolutions must be approved by Shareholders who together represent a simple majority of the Ordinary Shares being voted (whether in person or by proxy) at the General Meeting.

For further information in relation to the Resolutions to be proposed at the General Meeting, see the Notice of General Meeting at the end of this document.

## 14. Action to be taken

### *General Meeting*

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Registrar, Equiniti, as soon as possible and, in any event, so as to arrive not later than 9.30 a.m. on 26 November 2018. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so. You may also submit your proxies electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) using the Voting ID, Task ID and Shareholder Reference Number on the Form of Proxy. If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the issuer's agent, ID RA19, so that it is received no later than 9.30 a.m. on 26 November 2018.

### *Rights Issue*

The latest time for acceptance by Shareholders under the Rights Issue is 11.00 a.m. (UK time) on 13 December 2018. The procedure for acceptance and payment is set out in Part II (*Details of the Rights Issue*) of this document. Further details also appear in the Provisional Allotment Letter which will be sent to all Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, those Qualifying Non-CREST Shareholders with a registered address in the Excluded Territories).

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

## **15. Further information**

Your attention is drawn to the section entitled “Risk Factors” of this document and to Part XIII (*Additional Information*) of this document. You should read all of the information contained in this document before deciding the action to take in respect of the General Meeting and/or the Rights Issue. If you are a Qualifying Shareholder, and, subject to certain exceptions, unless you have a registered address in, or are resident or located in, any of the Excluded Territories, your attention is drawn in connection with the Rights Issue to the further information contained in Sections 9 and 10 of Part II (*Details of the Rights Issue*) of this document.

The results of the votes cast at the General Meeting will be announced as soon as possible once known through a Regulatory Information Service and on the TRG website ([www.trgplc.com](http://www.trgplc.com)). It is expected that this will be on 28 November 2018.

## **16. Financial advice**

The Board has received financial advice from RBC (as lead financial adviser) and J.P. Morgan (as joint financial adviser) in relation to the Acquisition. In providing their financial advice to the TRG Directors, RBC and J.P. Morgan have relied on the TRG Directors’ commercial assessments of the Acquisition.

## **17. Recommendation**

**The Board considers the Acquisition, the Rights Issue and the Resolutions to be in the best interests of the Company and its Shareholders taken as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions, as all of the TRG Directors intend to do (or procure to be done), in respect of the Ordinary Shares in which they are interested, or in relation to which they are otherwise able to control the exercise of the voting rights, held at the time of the General Meeting, amounting to 226,728 Ordinary Shares in aggregate as at the Latest Practicable Date (representing approximately 0.11 per cent. of TRG’s existing issued ordinary share capital).**

Yours sincerely,

Debbie Hewitt MBE  
**Chairman**

## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

<b>Acquisition</b> .....	the proposed acquisition of the entire issued and to be issued share capital of Wagamama pursuant to the Share Purchase Agreement;
<b>Adjusted EBITDA</b> .....	earnings before interest, tax, depreciation, amortisation and Exceptional Items;
<b>Adjusted PBT</b> .....	profit before tax and Exceptional Items;
<b>Admission</b> .....	admission of the New Ordinary Shares, nil paid, to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities;
<b>Articles</b> .....	the articles of association of TRG;
<b>Business Day</b> .....	any day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for business in London;
<b>certificated or in certificated form</b> . . . .	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
<b>Company or TRG</b> .....	The Restaurant Group plc, a company incorporated in Scotland with registered number SC030343, whose registered office is 1 George Square, Glasgow G2 1AL;
<b>Companies Act 2006</b> .....	the Companies Act 2006, as amended from time to time;
<b>Completion</b> .....	completion of the Acquisition;
<b>Conditions</b> .....	the approval of the Resolutions by Shareholders at the General Meeting and Admission having occurred;
<b>CREST</b> .....	the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
<b>CREST Manual</b> .....	the rules governing the operation of CREST as published by Euroclear;
<b>CREST member</b> .....	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
<b>CREST Proxy Instruction</b> .....	the message used for a proxy appointment made by means of CREST;
<b>CREST Regulations</b> .....	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755), as amended;
<b>DBP</b> .....	the TRG Deferred Bonus Plan;
<b>Dealing Day</b> .....	a day upon which dealings in domestic securities may take place on the London Stock Exchange (and <b>Dealing Days</b> shall be construed accordingly);
<b>Debt Facility</b> .....	the £220,000,000 revolving facility agreement between, amongst others, the Company as original borrower and RBC as agent dated 30 October 2018;



<b>DSBP</b> .....	the TRG 2018 Deferred Share Bonus Plan;
<b>Duke Street Vendors</b> .....	Duke Street VI Gestion Sarl (acting in its capacity as manager of Financiere DSC VI), DS Mabel 2 Limited Partnership (acting by its manager Duke Street LLP) and Duke Street General Partner Limited (acting in its capacity as manager of Duke Street Capital VI Fund Investment Limited Partnership);
<b>EBITDA</b> .....	earnings before interest, tax, depreciation, amortisation and impairment. EBITDA is a non-GAAP measure and is widely used to evaluate the profitability of companies. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortisation expense);
<b>EBT Vendor</b> .....	RBC Cees Trustee Limited (as trustee of the Wagamama EBT);
<b>Employee Share Schemes</b> .....	the LTIP, DBP, DSBP and SAYE;
<b>Enlarged Group</b> .....	the TRG Group as enlarged by the Rights Issue proceeds and the Acquisition (following completion of the Rights Issue and Completion, as applicable);
<b>Equiniti</b> .....	Equiniti Limited;
<b>EU</b> .....	the European Union;
<b>Euroclear</b> .....	Euroclear UK & Ireland Limited, the operator of CREST;
<b>Exceptional Items</b> .....	those items that, as determined by TRG, by virtue of their unusual nature or size, warrant separate additional disclosure in order to fully understand the performance of the business;
<b>Exchange Act</b> .....	United States Securities and Exchange Act of 1934, as amended;
<b>Excluded Territories</b> .....	Australia, Canada, Hong Kong, Japan, South Africa, the United States and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation, and Excluded Territory shall be construed accordingly;
<b>Existing Ordinary Shares</b> .....	the Ordinary Shares of 28.125 pence each in the capital of TRG in issue immediately prior to the Rights Issue;
<b>FCA</b> .....	the Financial Conduct Authority;
<b>Form of Proxy</b> .....	the form of proxy enclosed with this document for use in connection with the General Meeting;
<b>FSMA</b> .....	the Financial Services and Markets Act 2000, as amended from time to time;
<b>Fully Paid Rights</b> .....	rights to acquire New Ordinary Shares, fully paid;
<b>General Meeting</b> .....	the general meeting of the Company proposed to be held at etc.venues St Paul's, 200 Aldersgate, London EC1A 4HD at 9.30 a.m. on 28 November 2018 to approve the Resolutions, the notice of which is contained in this document;

<b>Global Co-ordinator</b> .....	J.P. Morgan;
<b>Hutton Collins Vendors</b> .....	HC Investissements V S.A.R.L and Hutton Collins Capital Partners III LP;
<b>Insurer</b> .....	Ambridge Europe Limited;
<b>J.P. Morgan</b> .....	J.P. Morgan Securities plc which conducts its UK investment banking business as J.P. Morgan Cazenove;
<b>Latest Practicable Date</b> .....	9 November 2018;
<b>Listing Rules</b> .....	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time;
<b>London Stock Exchange</b> .....	London Stock Exchange plc;
<b>LTIP</b> .....	the TRG Group Long-Term Incentive Plan;
<b>LTM</b> .....	last 12 months;
<b>Management Vendors</b> .....	certain current and former employees of the Wagamama Group who are holders of Wagamama Shares and the holders of awards granted over Wagamama Shares;
<b>Management Warrantors</b> .....	Jane Holbrook, Nick Taylor, Phil Derbyshire, Nigel Sherwood and Emma Woods;
<b>Management Warranty Deed</b> .....	the agreement dated 30 October 2018 between the Management Warrantors and TRG Holdings, pursuant to which the Management Warrantors have given certain warranties in relation to the business of the Wagamama Group, a summary of which is contained in Part III ( <i>Terms and Conditions of the Acquisition</i> ) of this document;
<b>member account ID</b> .....	the identification code or number attached to any member account in CREST;
<b>Net Debt</b> .....	cash and cash equivalents less long-term borrowings and finance lease obligations;
<b>New Ordinary Shares</b> .....	290,430,689 Ordinary Shares proposed to be issued by TRG pursuant to the Rights Issue;
<b>Nil Paid Rights</b> .....	New Ordinary Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue;
<b>Non-Executive Directors</b> .....	the TRG Directors who hold the position of Chairman or non-executive director, and <b>Non-Executive Director</b> shall mean any one of them;
<b>Notice of General Meeting</b> .....	the notice of General Meeting contained in this document;
<b>Official List</b> .....	the official list of the UKLA;
<b>Ordinary Shares</b> .....	the ordinary shares with a nominal value of 28.125 pence each in the capital of the Company including, if the context requires, the New Ordinary Shares;
<b>Other Institutional Vendors</b> .....	CLBRM Equity 2007, S.A., SICAR, Almack Mezzanine Fund II Limited (as GP for Almack Mezzanine II Unleveraged LP), Almack

Mezzanine GP III Limited (as GP of Almack Mezzanine III LP), Cornerstone Private Equity LLP and Partners Group European Mezzanine 2008, LP;

<b>Outlet EBITDA</b> .....	EBITDA directly attributable to individual sites and therefore excluding corporate and central costs;
<b>Overseas Shareholders</b> .....	Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom, and <b>Overseas Shareholder</b> shall be construed accordingly;
<b>pence or £</b> .....	the lawful currency of the United Kingdom;
<b>Prospectus or this document</b> .....	this combined prospectus and Class 1 circular;
<b>Provisional Allotment Letter</b> .....	the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders;
<b>Qualifying CREST Shareholders</b> .....	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in uncertificated form;
<b>Qualifying Non-CREST Shareholders</b> .....	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company on the Record Date which are in certificated form;
<b>Qualifying Shareholders</b> .....	holders of Ordinary Shares who are on TRG's register of members at the Record Date;
<b>RBC</b> .....	RBC Europe Limited;
<b>Record Date</b> .....	close of business on 26 November 2018;
<b>Registrar</b> .....	Equiniti Limited;
<b>Regulation S</b> .....	Regulation S under the Securities Act;
<b>regulatory authority</b> .....	any central bank, ministry, governmental, quasi-governmental (including the EU), supranational, statutory, regulatory or investigative body or authority (including any national or supranational antitrust or merger control authority), national, state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction, including for the avoidance of doubt, the takeover panel, the FCA, the UKLA and the London Stock Exchange;
<b>Regulatory Information Service</b> .....	any one of the regulatory information services authorised by the UKLA to receive, process and disseminate regulatory information from listed companies;
<b>Resolutions</b> .....	the resolutions set out in the Notice of General Meeting and <b>Resolution</b> shall be construed accordingly;
<b>Rights Issue</b> .....	the offer by way of rights to Qualifying Shareholders to acquire New Ordinary Shares on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter;

<b>Rights Issue Price</b> .....	108.5 pence per New Ordinary Share;
<b>SAYE</b> .....	TRG Group Save As You Earn Plan;
<b>Securities Act</b> .....	the United States Securities Act of 1933, as amended;
<b>Shareholder</b> .....	any holder of Ordinary Shares registered on the register of members of the Company;
<b>Share Purchase Agreement</b> .....	the agreement dated 30 October 2018 between the Company, TRG Holdings and the Wagamama Vendors pursuant to which TRG Holdings has agreed to acquire the entire issued share capital of the TRG Group on the terms and subject to the conditions thereof, a summary of which is contained in Part III ( <i>Terms and Conditions of the Acquisition</i> ) of this document;
<b>Sponsor</b> .....	J.P. Morgan;
<b>TRG Directors or Directors</b> .....	the directors of the Company, and <b>TRG Director</b> or <b>Director</b> shall mean any 1 of them;
<b>TRG Existing Revolving Credit Facility</b> .....	the £140,000,000 revolving facility agreement between, amongst others, the Company as original borrower and Lloyds Bank plc as agent originally dated 7 October 2011 and as amended and restated pursuant to an agreement dated 8 June 2015;
<b>TRG FY 2015</b> .....	the 52-week period ended 27 December 2015;
<b>TRG FY 2016</b> .....	the 53-week period ended 1 January 2017;
<b>TRG FY 2017</b> .....	the 52-week period ended 31 December 2017;
<b>TRG FY 2018</b> .....	the 52-week period ended 30 December 2018;
<b>TRG Group</b> .....	the Company together with its subsidiaries and subsidiary undertakings;
<b>TRG H1 2018</b> .....	the 26-week period ended 1 July 2018;
<b>TRG Holdings</b> .....	TRG (Holdings) Limited, a company incorporated in England and Wales with registered number 05556066, whose registered office is 5-7 Marshalsea Road, London, SE1 1EP;
<b>TRG Profit Forecast</b> .....	has the meaning given to that term in the Appendix ( <i>TRG Profit Forecast</i> ) to this document;
<b>UK GAAP</b> .....	United Kingdom Generally Accepted Accounting Practice;
<b>UKLA</b> .....	the FCA acting in its capacity as the competent authority under FSMA;
<b>uncertificated or in uncertificated form</b> .....	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
<b>Uncertificated Securities Regulations</b> .....	the Uncertificated Securities Regulations 2001 as amended from time to time;

<b>Underwriter</b> .....	J.P. Morgan;
<b>Underwriting Agreement</b> .....	the underwriting and sponsor's agreement dated the same date as this document and made between the Company and J.P. Morgan, a summary of which is contained in Section 6.1(D) of Part XIII ( <i>Additional Information</i> ) of this document;
<b>United Kingdom or UK</b> .....	the United Kingdom of Great Britain and Northern Ireland;
<b>United States or US</b> .....	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction;
<b>US\$ or US dollar</b> .....	the lawful currency of the United States;
<b>VAT</b> .....	(a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); (b) to the extent not included in paragraph (a) above, any value added tax imposed by the VATA and legislation and regulations supplemental thereto; and (c) any other tax of a similar nature to the taxes referred to in paragraph (a) or paragraph (b) above, whether imposed in an EEA State in substitution for, or levied in addition to, the taxes referred to in paragraph (a) or paragraph (b) above or imposed elsewhere;
<b>VATA</b> .....	Value Added Tax Act 1994;
<b>Wagamama</b> .....	Mabel Topco Limited, a company incorporated in England and Wales with registered number 07556481, whose registered office is 76 Wardour Street, London, W1F 0UR;
<b>Wagamama EBT</b> .....	Wagamama 2010 Employee Benefit Trust;
<b>Wagamama FY 2016</b> .....	the 52-week period ended 24 April 2016;
<b>Wagamama FY 2017</b> .....	the 52-week period ended 23 April 2017;
<b>Wagamama FY 2018</b> .....	the 53-week period ended 29 April 2018;
<b>Wagamama Group</b> .....	Wagamama together with its subsidiaries and subsidiary undertakings;
<b>Wagamama Notes</b> .....	the £225,000,000 4.125 per cent. Senior Secured Notes due 2022 issued by Wagamama Finance Plc;
<b>Wagamama Share</b> .....	a share of any class in the capital of Wagamama;
<b>Wagamama Vendors</b> .....	the Duke Street Vendors, the Hutton Collins Vendors, the Other Institutional Vendors, the Management Vendors and the EBT Vendor; and
<b>Warranty and Indemnity Insurance Policy</b> .....	the warranty and indemnity insurance policy entered into by the Company and TRG Holdings with the Insurer (on behalf of various underwriters / insurers) on 30 October 2018 in respect of the Acquisition.

