

**FOR IMMEDIATE RELEASE**  
**28<sup>th</sup> May 2008**

**LITTLE CHEF'S SAVIOURS TO PUT OUT MORE FIRES!**

**RCAPITAL APPOINTED TO MANAGE £100M FLIGHT RECOVERY FUND**

RCapital, specialists in the turnaround of distressed businesses, have been appointed as Investment Adviser to the Flight & Partners Recovery Fund launched in February 2008 by Howard Flight, the Founder and former Joint Managing Director of Guinness Flight Global Asset Management and Shadow Chief Secretary to the Treasury.

The Flight and Partners Fund will focus on identifying medium term turnaround opportunities within distressed SMEs. Over the seven year life of the Fund, the aggregate value of deals in which it expects to invest is £100m.

RCapital has a strong track record in turnaround investment and the subsequent financial and operational restructuring of distressed companies. They have developed a proven formula which delivers a high level of security and returns for investors. In the past 4 years, RCapital has invested over £16m in 14 companies including Little Chef, Maccess, and Alsops Architects.

“Our experience has shown that the small to medium sized turnaround territory, with individual deal sizes of up to £5m, is less competitive and usually delivers higher total returns for investors than larger turnarounds,” says Jamie Constable, founding partner of RCapital.

Companies become distressed for a number of reasons, of which the current tightening of the credit markets is now a significant factor. As a result, it has become more difficult for businesses to secure further funding from their banks in order to weather short term problems. A fund like the Flight and Partners Recovery Fund provides both finance and turnaround management input to such SMEs which have a sound business model but are encountering balance sheet problems.

“In the current economic climate recovery funds offer a unique potential for securing high returns with a moderate level of risk” says Howard Flight, founder of Flight & Partners Ltd. “As specialists in this area with an impressive track record, RCapital is able to move quickly to rescue a business identified with recovery potential - where speed is a critical ability - and then to access the specialist skills needed to implement both financial and operational restructuring.”

Since acquiring Little Chef in early 2007, RCapital has taken a £7m loss-making operation to a break even situation. They have forecast a modest £2m profit this year, and after a major product and brand re-launch planned for later in 2008, anticipate significant subsequent growth. In March, the Group announced the first phase of the re-brand process including a partnership with Heston Blumenthal to create a Channel 4 series documenting a full menu makeover.

As the Investment Adviser to the Flight & Partners Recovery Fund, RCapital will have full responsibility for advising on potential acquisitions, managing transactions, organising the financial and operational restructuring and subsequent realisation of equity interests.

**Notes to Editors:**

**About RCapital**

RCapital was formed in 2004 by Jamie Constable and Peter Ward as a private investment boutique specialising in growth and turnaround investment management for the SME sector within the UK and Europe.

Jamie Constable and Peter Ward have over 20 years experience in the turnaround industry. Since the company's inception RCapital has developed a track record for rapidly delivering high returns for investors and as being one of the foremost restructuring specialists within its industry.

For more information on RCapital and the Flight and Partners Recovery Fund please contact Sarah Staley by emailing [sarah@rcapital.co.uk](mailto:sarah@rcapital.co.uk).

**Media enquiries:**

Lesley Muir

[Lesley@good-pr.co.uk](mailto:Lesley@good-pr.co.uk)

07796 148400