

## Press Release

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### *The Wall Street Journal*

#### **California Restaurant Chain Drinks from KKR's Cup**

(OCTOBER 6, 2014) – KKR & Co. has acquired a minority stake in Lemonade Restaurant Group LLC, a cafeteriastyle restaurant chain that describes itself as a “Southern Californian smorgasbord.”

The Los Angeles company's founder, chef Alan Jackson, said KKR's investment will allow Lemonade to embark on a significant expansion. The company currently operates 14 locations on the West Coast and two in the Middle East.

“We feel that KKR are brand-builders, that they would be the right team to help Lemonade become a regional brand or something even bigger in the future,” Mr. Jackson said in an interview.

Private-equity and venture capital funds are increasingly betting on health-focused fast casual food concepts, following the outsized success of chains like Chipotle Mexican Grill Inc. and Zoe's Kitchen Inc.

Revolution LLC, a firm led by AOL Inc. co-founder Steve Case, last year invested \$22 million in U.S.-based salad restaurant company Sweetgreen Inc., while Calculus Capital earlier this year participated in a financing round for U.K.-based salad bar chain Chop'd.

Lemonade plans to grow to 40 locations by 2016, Mr. Jackson said, initially focusing on adding stores in California, Texas and Hawaii. It may ultimately expand to Canada, Australia, Europe and Asia through strategic partnerships.

Lemonade currently has seven stores in development in Southern California, one on the East Coast and 28 in the Middle East under a licensing agreement with Magnolia Restaurants Management LLC, which also has the license to operate Chuck E. Cheese's and Chicken Now locations in the Middle East.

Mr. Jackson, who opened The Farm in Beverly Hills in 1997, pivoted from his fine-dining roots to start Lemonade in 2007. His restaurants serve salads, roast meats, sandwiches and stews, among other dishes.

“My wife and I wanted an alternative to the everyday restaurant, with variety and flexibility, like visiting our own kitchen on a daily basis,” Mr. Jackson said.

The Lemonade investment was made from KKR's balance sheet, rather than from one of its buyout funds. The firm last month made a similar investment in identity-theft prevention company Ping Identity Corp., using its balance sheet to participate in a \$35 million funding round for the identity-theft prevention company.

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### **About North Point Advisors**

North Point Advisors ([www.nptadvisors.com](http://www.nptadvisors.com)) served as financial adviser to Jimmy John's.

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