

GP Investments

LAVCA 2008 Annual Summit

Growth plays: Case studies of mid-market buyouts

April 10th, 2008

CASE STUDY: BR MALLS

Company Overview Pre-Deal

- ▶ Established in 1971
- ▶ 5th in the shopping mall industry
- ▶ 7 shopping malls

Investment Rationale

- ▶ Investment Date: October 2006
- ▶ Investment Type: Consolidation
- ▶ Opportunity:
 - very fragmented industry
 - attractive valuation
 - established players not focused on consolidation

GP Investments' Value Added


- ▶ New management team – GP Investments sent one of its Partners, Carlos Medeiros, to act as CEO.
- ▶ Consolidation Strategy – GP led the acquisition strategy of BR MALLS and the company became the leader of the shopping mall sector in less than 6 months. To date BR MALLS executed 40 M&A transactions
- ▶ Aggressive Finance Plan – BR Malls raised more than US\$600 million in equity and US\$370 million in long-term debt to fund acquisitions and new developments

CASE STUDY: BR MALLS

BRMALLS - Today

- ▶ One of the most efficient shopping mall operators in the world - 70% EBITDA margin in 2007
- ▶ Largest shopping mall company in LatAm
- ▶ Fully institutional with a team composed solely of executives

In only 18 months...

| |  | | BRMALLS |
|---------------------------------------|---|---------------|----------------------|
| Market Cap (USD million) ¹ | 287 | NM → | 1,633 |
| # Malls | 7 | 344% → | 31 |
| Total GLA (m ²) | 237,303 | 283% → | 909,205 |
| Owned GLA (m ²) | 90,524 | 316% → | 376,760 |
| Developments | 0 | NM → | 6 |
| Expansions | 1 | NM → | 9 |
| EV/EBITDA Multiple | 7.5x ⁽²⁾ | NM → | 10.8x ⁽³⁾ |

¹ BRL/USD of 1.72 as of March 17, 2007

² Acquisition multiple based on forward EBITDA

³ Current multiple as of March 17, 2007

CASE STUDY: FOGO DE CHÃO

Company Overview Pre-Deal

- ▶ Brazilian steakhouse operator with typical all-you-can-eat format
- ▶ Founded in 1979 and started its expansion to the US in 1997.
- ▶ 3 restaurants in Brazil and 6 in US run almost independently
- ▶ Management team led on a day-to-day basis by the two founders

Investment Rationale

- ▶ Investment Date: August 2006
- ▶ Investment Type: Organic Growth
- ▶ Opportunity:
 - Attractive industry: significant room for growth in a low risk environment
 - Attractive valuation: Superior business model with exceptional economics
 - Proven track record
 - Outstanding operations

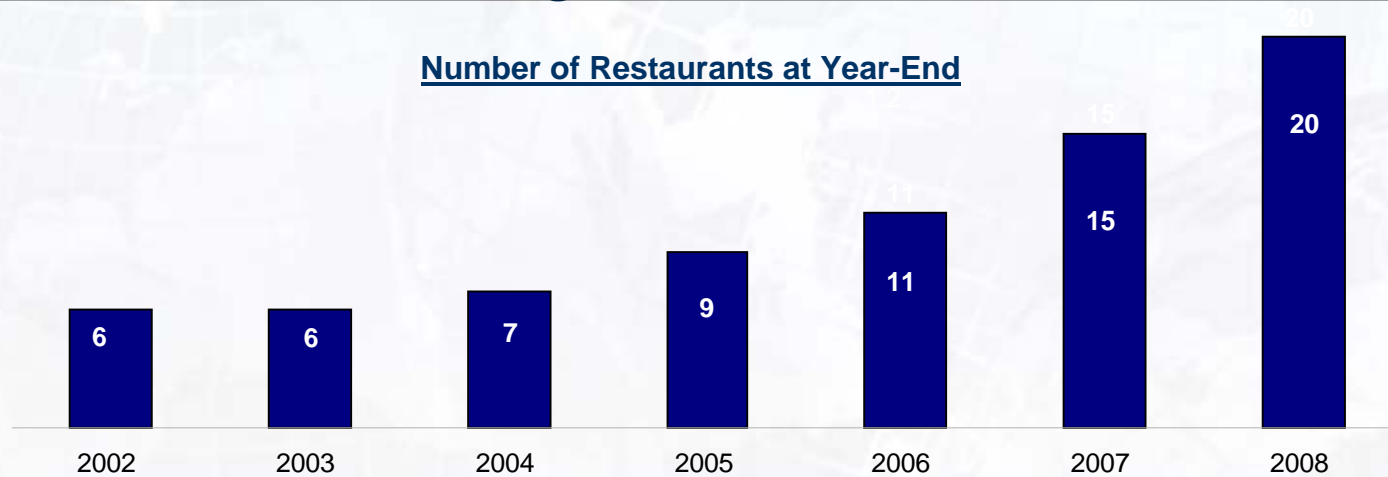
GP Investments' Value Added

- ▶ Management team - GP Investments led the selection and hiring of CEO, CFO and other top level executives to support an aggressive growth plan and IPO
- ▶ Financial controls – GP Investments pushed the company to substantially enhance its financial controls and management information systems
- ▶ Integration – Fogo now operates as a single entity US-Brazil
- ▶ Capital structure – Fogo has explored a variety of monetization alternatives to date, including debt recap and an IPO

CASE STUDY: FOGO DE CHÃO

Fogo de Chão Results

Number of Restaurants at Year-End



* Expected based on secured locations

Ebitda and Net Revenues



■ Revenues ■ Ebitda