

Landry's Restaurants, Inc. Signs Merger Agreement to Be Acquired by Tilman J. Fertitta

2008-06-16

Landry's Restaurants, Inc. (NYSE: LNY), today announced that it has entered into a definitive agreement with Fertitta Holdings, Inc. (Fertitta a newly formed holding company for Landry's Restaurants, Inc.) pursuant to which Fertitta has agreed to acquire all of the Company's outstanding common stock for \$21.00 per share in cash.

Fertitta is a newly formed entity wholly owned by the Company's Chairman, President, CEO and original founder, Tilman J. Fertitta. Mr. Fertitta beneficially owns approximately 39% of the Company's outstanding shares of common stock. The stock price represents a premium of approximately 37% over the closing share price of the Company's common stock on April 3, 2008, the last trading day before disclosure of the revised offer made by Mr. Fertitta to acquire the Company. The total value of the transaction is approximately \$1.3 billion, which includes approximately \$885.0 million of debt.

The Company's Board of Directors, acting upon the unanimous recommendation of a special committee comprised entirely of independent directors (the "Special Committee"), has approved the merger agreement, including the fully financed commitments consisting of Mr. Fertitta's equity contribution and the debt financing commitments of the lenders discussed below presented by Mr. Fertitta, and has recommended that the Company's stockholders vote in favor of the merger agreement.

Mr. Fertitta has received debt financing commitments from Jefferies Funding, LLC, Jefferies & Company, Inc., Jefferies Finance, LLC and Wells Fargo Foothill, LLC to fund the acquisition.

Under the merger agreement, there is a "go -- shop" provision whereby the Special Committee, with the assistance of its independent advisors, will actively solicit superior acquisition proposals from third parties for approximately 45 days following the signing of the merger agreement. The Company does not intend to disclose developments with respect to this solicitation process unless and until the Special Committee has made a decision with respect to the alternative proposals, if any, it receives. No assurances can be given that the solicitation of superior proposals will result in an alternative transaction.

The transaction is expected to be completed in approximately four months, subject to regulatory approvals and other customary closing conditions and performance criteria, including no material adverse effect on the Company's results or operations prior to closing. The transaction is subject to the approval of the merger agreement by a majority of the outstanding shares of the Company's common stock.

The Company, in accordance with the terms of the merger agreement, will stop payment of its regular quarterly dividend of \$0.05 per share while the transaction is pending.

King & Spalding, LLP provided legal advice to the Special Committee. Cowen and Company served as financial advisor to the Special Committee and rendered a fairness opinion in connection with the proposed transaction. North Point Advisors, LLC served as financial advisor to the Company. Haynes and Boone, LLP served as the Company's legal advisors.

Olshan Grundman Frome Rosenweig & Wolosky LLP is serving as Fertitta's legal advisors. Jefferies & Company, Inc. is serving as financial advisor to Mr. Fertitta.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article33086.html>

© 1998 - 2008 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html