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The Bulletin Business

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Allied Brands lands \$5m US funding deal

by Nick Nichols
business editor

ALLIED Brands has stitched up a \$4.9 million funding deal with a New York-based institutional investor.

The Gold Coast company, which owns the Baskin Robbins and Cookie Man franchises, will use the convertible credit facility to expand its franchise services division.

The division is focusing on rebranding Bayswiss and Freedom Home with Allied's Villa and Hut label.

SpringTree Special Opportunities Fund has committed to an initial placement of \$150,000, with a coupon rate of 6 per cent, and future tranches of \$100,000 a month, interest free, over the next 24 months.

Allied Brands will be able to draw up to \$200,000 a month, but the extra drawdown will incur a 5 per cent fee.

Each tranche can be converted by SpringTree at up to 24.7c a share, compared with yesterday's closing of 16c.

Allied chief executive Shane

Radbone described the deal as a 'coup' for the company and a sign of confidence in its plans for domestic and international expansion.

"It also raises our profile in the US and international financial markets and shows that we are now firmly on the international radar screen for the first time," he said.

Allied Brands has paid an initial establishment fee of 1.09 million shares to SpringTree.

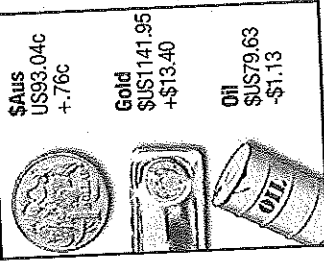
Under the agreement it has granted

up to 3.09 million shares and a further 3 million options expiring in 2015.

SpringTree managing director Jeff Easton said he had been 'very impressed' with Allied's management team and the company's prospects.

"This is our fourth Australian investment and we have been encouraged by the successes of our Australian portfolio companies," he said.

Among its other investments is listed immunology researcher Prima Biomed.



AUS	US\$3.04C	
	+7.76c	
Gold	\$US1141.95	
	+13.40	
Oil	\$US79.63	
	-\$1.13	

Markets	
All Aus 50	4887.4 +37.0
All Aus200	4800.1 +30.5
All Ords	4929.4 +29.3
Metals	4680.3 +62.6
ASX 20	2967.9 +27.5
ASX 50	4902.8 +36.7
ASX 100	4007.9 +27.4
ASX200	4898.0 +29.9
ASX300	4897.7 +29.2
MidCap50	4488.9 +8.6
Small Ords	2671.0 -8.9
CnsmrDiscr	1617.0 -3.5
CnsmrStapl	7777.8 +20.4
Energy	16225 -51.1
Financials	4802.0 +36.5
FinxProfr	5610.2 +50.9
HealthCare	8484.6 -14.3

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Deal may