

Warburg Pincus Acquires Gabriel Brothers, Inc.

NEW YORK – December 22, 2016 – Warburg Pincus, a global private equity firm focused on growth investing, today announced that funds affiliated with the firm have agreed to acquire Gabriel Brothers, Inc. (“Gabe’s” or the “Company”), an off-price fashion and home retailer. As part of the transaction, Alvarez & Marsal Capital, the Company’s current majority owner, will exit its stake in the Company. Terms of the transaction were not disclosed.

Gabe’s, formerly known as Gabriel Brother’s, operates 106 stores under the Gabe’s and Rugged Warehouse banners across 11 states in the Mid-Atlantic and Southeast. The Company sells leading apparel, footwear, accessories, and home brands at up to 70% off department and specialty store prices. The Company was founded in 1961 by the Gabriel family and is headquartered in Morgantown, West Virginia.

“Gabe’s is a leading retailer with a strong and growing customer base. As consumer preference continues to shift from traditional department stores to off-price retailers, we see a compelling market opportunity to grow the business through new store openings and expansion into new regions,” said Annette Rodriguez, Managing Director, Warburg Pincus.

“Alvarez & Marsal Capital has enjoyed a successful partnership with the Gabriel family, current senior management and all of the Gabe’s employees in leveraging the Company’s strong brand and store concept to drive significant growth throughout the period of our investment. We believe that the Company’s attractive value proposition, strong team and significant customer loyalty will serve as a strong basis for continued growth as Gabe’s transitions to new ownership,” said Kurt Kaull, Managing Director, Alvarez & Marsal Capital.

UBS Investment Bank and Wells Fargo Securities acted as financial advisors to Warburg Pincus. Jefferies LLC acted as financial advisor to Alvarez & Marsal Capital.

About Gabe’s

Gabe’s, founded in 1961, is a privately-held, extreme value off-price retailer headquartered in Morgantown, West Virginia. The company operates 61 Gabe’s stores across 11 states, as well as 45 stores operating as Rugged Warehouse. The company sells designer brands and fashions for up to 70% off department and specialty store prices. Their stores carry designer brand name ladies, juniors, lingerie, men’s and children’s apparel, along with footwear, accessories, handbags, bath and beauty products, home décor, soft home, and housewares.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$40 billion in private equity assets under management. The firm’s active portfolio of more than 130 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 16 private equity funds, which have invested more than \$58 billion in over 760 companies in more than 40 countries. Warburg Pincus has invested more than \$12.5 billion in over 200 healthcare and consumer companies. Current and former investments in the retail and consumer goods sectors include Glansaol, Neiman Marcus, Poundland, REISS, Wanse, Biba Apparels, Kalyan Jewellers, Kidswant, and Intime Department Store Group, among others.

The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. For more information please visit www.warburgpincus.com.

About Alvarez & Marsal Capital

A&M Capital is a private equity firm which invests in middle market businesses that can benefit from the firm's access to significant operating resources and expertise. The firm has a strategic association with Alvarez & Marsal ("A&M"), which gives it the distinctive capability to bring the exact management or operational talent and support to the companies with which they partner. The firm is focused on investments where the investment team can help to deliver significant value to companies across a wide range of industries. For more information please visit www.a-mcapital.com/amcp.

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