Restaurant *Industry Spotlight*

Fall 2008

TM capital

Investment & Merchant Bankers

www.tmcapital.com

An M&A International Inc. firm

TM capital
Investment & Merchant Bankers

Recent Restaurant Industry Experience

Smith & Wollensky

has been acquired by a consortium led by

BUNKER HILL CAPITAL

and

PATINA RESTAURANT GROUP

The undersigned acted as financial advisor to Smith & Wollensky Restaurant Group in connection with this transaction.

TM capital
Investment & Merchant Bankers

THE OCEANAIRE

Series D Preferred Stock provided by existing investors led by

CLARION CAPITAL PARTNERS, LLC

The undersigned acted as financial advisor to the Special Committee of the Board of Directors of The Oceanaire, Inc. in connection with this transaction.

TM capital
Investment & Merchant Bankers

Arby's

a subsidiary of

TRIARC

has acquired

RTM RESTAURANT GROUP

The undersigned acted as financial advisor to RTM Restaurant Group in connection with this transaction.

TM capital
Investment & Merchant Bankers

BENIHANA inc.

has paid a 50% common stock dividend

The undersigned acted as financial advisor to Benihana Inc. in connection with this transaction.

TM capital
Investment & Merchant Bankers

LEE'S Famous Recipe Chicken

Senior Term Loan
Revolving Credit Facility

provided by

CRATOS CAPITAL PARTNERS

The undersigned acted as financial advisor to Lee's Famous Recipe in connection with this transaction.

TM capital
Investment & Merchant Bankers

Mrs Winner's CHICKEN & BISCUITS

has been acquired by

LEE'S Famous Recipe Chicken

The undersigned acted as financial advisor to Winner's International Restaurants in connection with this transaction.

TM capital
Investment & Merchant Bankers

Times are tough for restaurant operators. Chains are competing for what appears to be a stagnant or declining US consumer budget and operators industry-wide are experiencing significant margin compression. The following industry snapshot reveals that quick service restaurants ("QSRs"), in particular those which have diversified internationally and effectively leveraged their purchasing power, have weathered the storm relatively well compared to their casual and premium dining competitors, but that the broader industry's margins are suffering from food and labor price increases. These current trends have clearly distinguished each segment's gainers and decliners and will force some restaurant operators to explore strategic alternatives for their underperforming concepts.

Despite the current dynamics, we believe the US restaurant space is an attractive industry supported by positive long term consumer trends and today's environment provides tremendous opportunity for strong operators to acquire distressed companies with good operating fundamentals at bargain prices. Specifically, we believe there is significant opportunity for: i) successful operators to acquire underperforming concepts and ii) franchisors to acquire troubled franchised units at attractive values in order to refranchise when the current storm has passed.

> *"Today's environment provides tremendous opportunities for strong operators to acquire underperforming companies"*

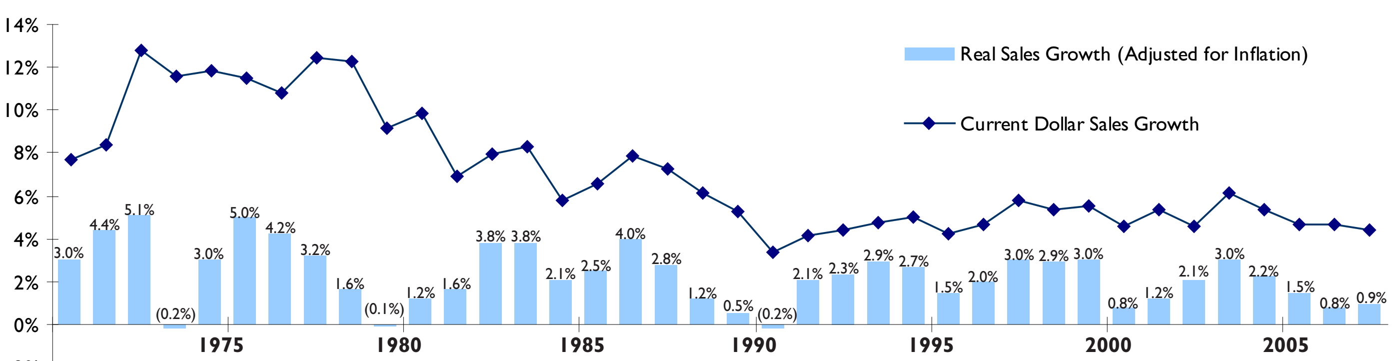
Restaurant Industry Overview

Industry Size		*Restaurant Publicly Traded Comps - Median*		
# of Restaurants	400,000	*Metric*	*5 Yr Avg.*	*Current*
Size	$393 billion	TEV/LTM EBITDA	8.7x	5.2x
2008E Growth	4.4%	P/E	21.8x	11.5x
Primary Segments		*Restaurant M&A Comps - Median*		
Quick Service		*Metric*	*5 Yr Avg.*	*Current*
Casual Dining		TEV/LTM EBITDA	8.1x	6.4x
Premium Dining		TEV/LTM Sales	1.0x	0.7x

Source: Capital IQ, National Restaurant Association and First Research

Restaurants have become a cornerstone of the American lifestyle. Today, 47% of all US consumer food expenditures are on meals away from home, a dramatic increase from the 26% spent eating out in 1960. Despite economic downturns, rising operating costs and increasing competition, the nation's 400,000 restaurants have achieved positive real sales growth in aggregate each year since 1991 by capitalizing on American's long term trend towards convenience and eating out. The popularity of eating out has been driven by a confluence of factors including an increase in consumer disposable income, a decrease in personal free time, and the proliferation of innovative new concepts, expanding menus, and efficiencies in food preparation and delivery processes. According to the National Restaurant Association, restaurant sales (including bars and taverns) will total over $393 billion in 2008, representing 4.4% growth from 2007. Although restaurant sales are projected to grow in 2008, the current turbulent economic environment is wreaking havoc on poor operating concepts (see the growing list of bankrupt companies including Ponderosa, Bonanza, Shell's Seafood Restaurants, Sonny's BBQ, Roadhouse Grill, Bennigan's and Steak & Ale).

US Restaurant Industry



Source: National Restaurant Association

TM capital
Investment & Merchant Bankers

Significant Economic Headwinds

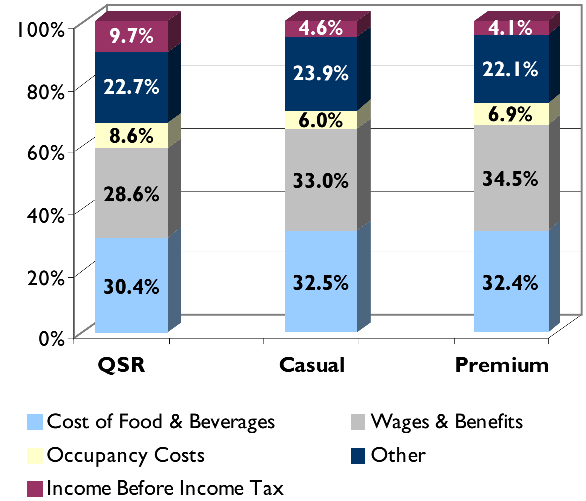
With mounting evidence that the US is in the midst of a recession, the overall operating environment for the restaurant industry has become increasingly challenging, as restaurants face rising input costs for both food commodities and labor which, in turn, places significant pressure on store level profitability. While menu price increases can offset some of the margin contraction, traffic trends have weakened. Concerns about the US economy have forced many consumers to reduce back the portion of the household budget allocated toward dining out.

The availability of consumer disposable income significantly influences the health of the restaurant industry. When disposable personal income is growing, consumers are more willing to trade up to finer dining concepts or order additional menu items such as appetizers or high priced beverages. Alternatively, when disposable personal income is slowing or stagnant (as is currently the case with disposable consumer income expected to decrease approximately 2.7% in 2008 according to UBS), consumers are quick to put their wallets back in their pockets and choose less expensive restaurant options or even forego meals away from home.

Food commodity prices have been on a meteoric rise over the last several years, reflecting the long term impact of rising energy and grain prices and intermediate term supply shortages. According to the US Department of Agriculture, slower long term growth in global crop production and more rapid growth in demand have tightened world balances of grains and oilseeds. The dramatic increase in global demand has stemmed from the development of ethanol and biodiesel fuels (which utilize corn, soybean, switchgrass and grains) as alternative energy sources in addition to the progression of emerging economies. A number of factors are compounding the imbalance of supply and demand including the declining value of the US dollar, increasing agricultural costs of production, adverse weather conditions and, most recently, protectionist steps taken by some countries to curb food exports in order to reduce food price inflation and the risk of famine.

According to the United Nations' "Trade and Development Report 2008," the recent commodity

Restaurant Industry Cost Structure



Source: National Restaurant Association

price hikes cannot be explained solely by underlying consumption and production trends. They are also related to higher fuel prices and transportation costs, the depreciation of the US dollar and commodity trading speculation. While there is no conclusive evidence of the speculative effect on prices, there can be little doubt that it has significantly amplified price movements originally caused by changes in market fundamentals. Given sufficient investment to improve and increase production and crop yields and the stabilization of the US economy and fuel prices, we feel that long term commodity prices will normalize and trade based solely on market fundamentals once global supply catches up with demand and speculative forces are lessened.

This normalization has already begun to take place, with oil prices tumbling to $67 a barrel in mid-October 2008. The declining price of crude oil marks a 54% drop from its peak of $147 in July 2008. The current economic crisis has caused a dramatic drop in energy demand, which

> *"Many casual and premium dining concepts with weakened same-store-sales may struggle to break even"*

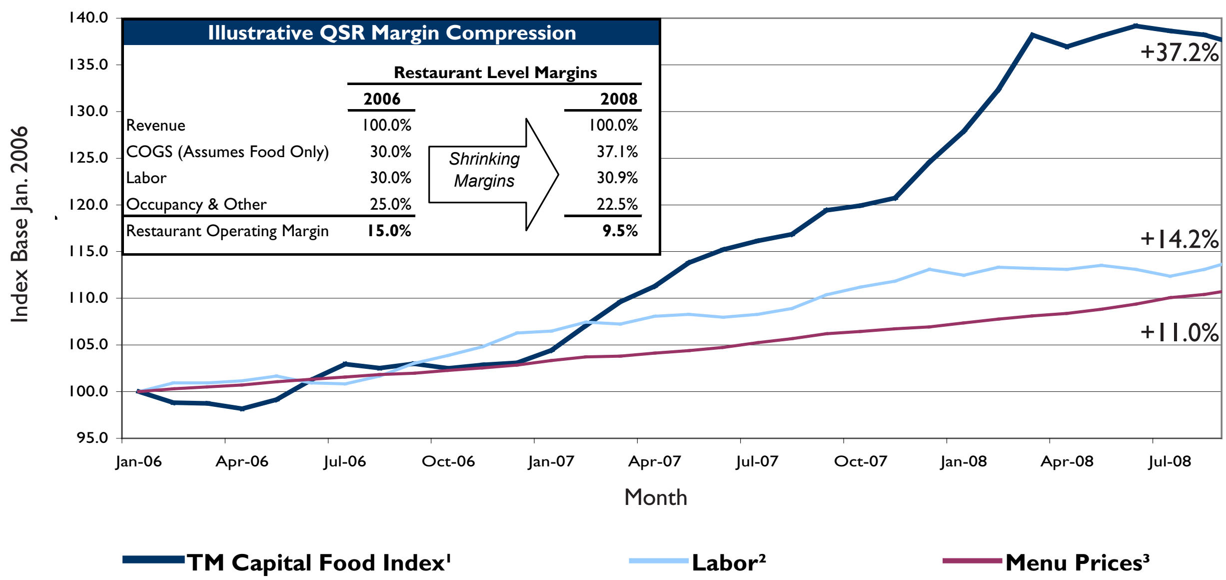
will have a corresponding effect on retail gas prices and food commodity prices. Although commodity prices have begun to stabilize and trade based upon market fundamentals, the chart below indicates that restaurant input costs remain at historic highs.

Intensifying competition in all restaurant segments has spurred industry-wide wage increases. According to a 2007 survey conducted by the National Restaurant Association, when operators were asked to name their number one challenge for 2008, the most frequent response was employee recruitment and retention. Increased competition for a relatively stagnant pool of unskilled labor has put upward pressure on hourly wages. According to the Bureau of Labor Statistics, hourly wages in the leisure and hospitality industry rose 14.2% from January 2006 to August 2008. Furthermore, labor costs are expected to continue to rise for the restaurant industry as Congress raised the federal minimum wage to $6.55 per hour effective July 24, 2008, and $7.25 per hour effective July 24, 2009. These minimum wage increases create a trickle up effect, raising wages across all segments.

To measure the impact of these rising costs on restaurant operating margins, we examined the restaurant relevant food commodity prices, hourly wages and menu price increases over the last two years. Based on our illustrative example below, an increase of 37.2% and 14.2% for food and labor costs, respectively, slightly offset by menu price increases of 11.0%, should compress restaurant operating margins by approximately 650 basis points (from 15.0% to 9.5%). In this analysis, we assumed an average QSR margin of 15% in 2006 and that food and labor prices mirror today's spot market. Unless these food and labor cost increases are eventually passed on to the consumer dollar for dollar, a near impossibility due to the competitive landscape, profits will continue to be squeezed. Since many operators have already contracted for their 2008 needs, the dramatic margin compression may be deferred until next year if prices remain high.

Based on our margin analysis, we would surmise that many casual and premium dining concepts with weakening same-store-sales may struggle to break even in the current environment. The most aggressive assumption included in our margin analysis is that restaurant sales increase from 2006 to 2008 at the rate of menu price increases. This certainly has not been the case within the casual and premium dining segments.

Restaurant Input Costs Have Significantly Outpaced Menu Price Increases



NOTE: Illustrative example reflects impact of only Food, Labor and Menu Price increases over the last 2 years. Assumes QSR operating margin of 15% in 2006 and that COGs consists only of food costs.

1. TM Capital Food Index = Includes average wholesale price increases of beef / veal products, young chickens, pork products, egg products, dairy products, fats & oils, flour, frozen potato products and liquid soft drink base. (Source: Bureau of Labor Statistics)

2. Labor = Includes average hourly wages in the US leisure and hospitality sector (Source: Bureau of Labor Statistics)

3. Menu Prices = Food Away From Home Index (Source: Bureau of Labor Statistics)

Market Segments & Relative Performance

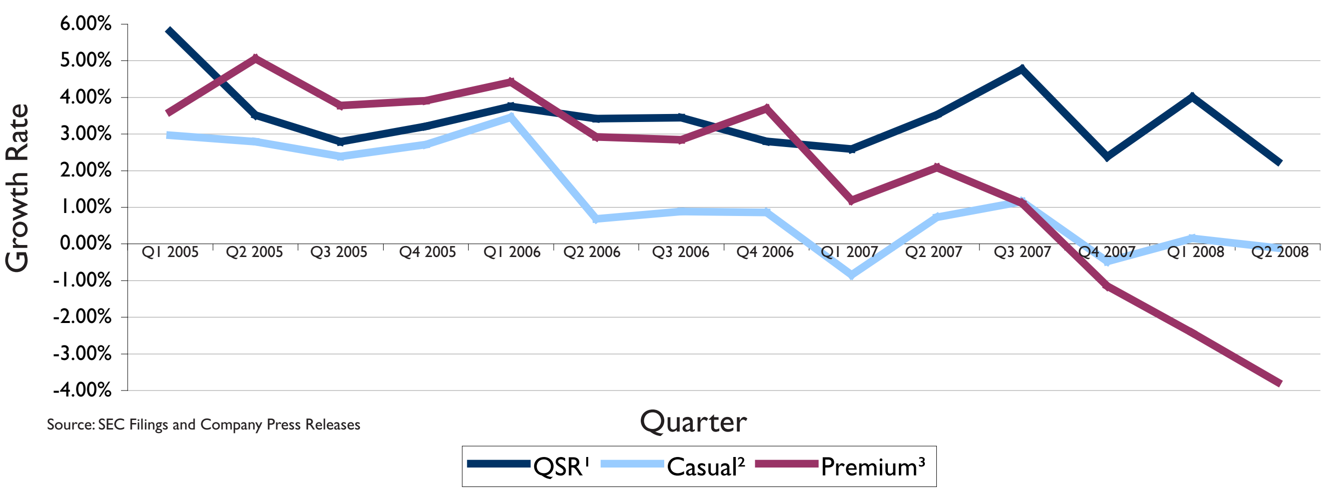
In our analysis of the restaurant industry, we concentrated our efforts on the three primary segments: QSR, casual dining and premium dining. Specifically, our analysis looked at historical trends in same-store-sales growth ("SSSG") by segment as well as the percentage of operators in each segment which have had increasing SSSG ("Gainers") versus the percentage of operators who have had decreasing SSSG ("Decliners") based on publicly available information.

As the SSSG chart below illustrates, the QSR segment, which in our analysis includes 26 well-known brands, remained steady as consumers capitalized on the value proposition offered by these operators in the current tight economy. QSRs have also successfully diversified their operations into international markets, expanding their growth opportunities and, to some degree, capitalizing on a historically low US dollar as they translate earnings back to US currency. Alternatively, the casual dining and premium segments, which in our analysis includes 34 and 10 well-known brands, respectively, have both been hit hard by the economic slowdown. As US consumers put the brakes on spending, especially for higher-end products and services, both casual and premium dining operators have experienced declines in SSSG.

While the stimulus tax rebate checks caused a temporary increase in disposable income, the US consumer is currently being squeezed by increased energy costs, flat wage growth and rising unemployment. Although Americans are still eating out, the trend is towards QSRs over casual and premium dining establishments as consumers seek to minimize the hit to their wallets.

> *"The QSR segment remains steady as consumers seek to minimize the hit to their wallets"*

Weighted SSSG by Segment - Q1 2005 to Q2 2008

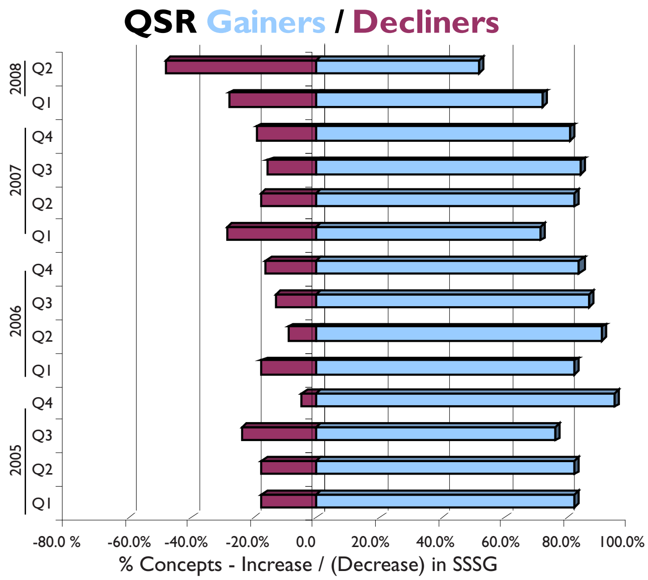


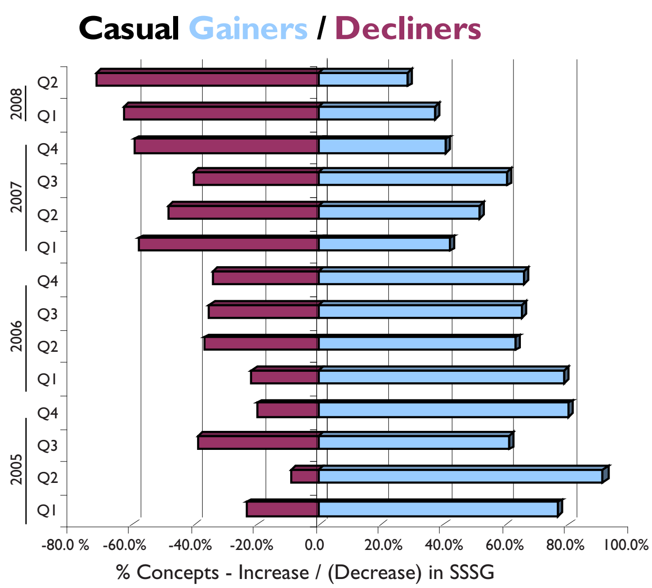
Source: SEC Filings and Company Press Releases

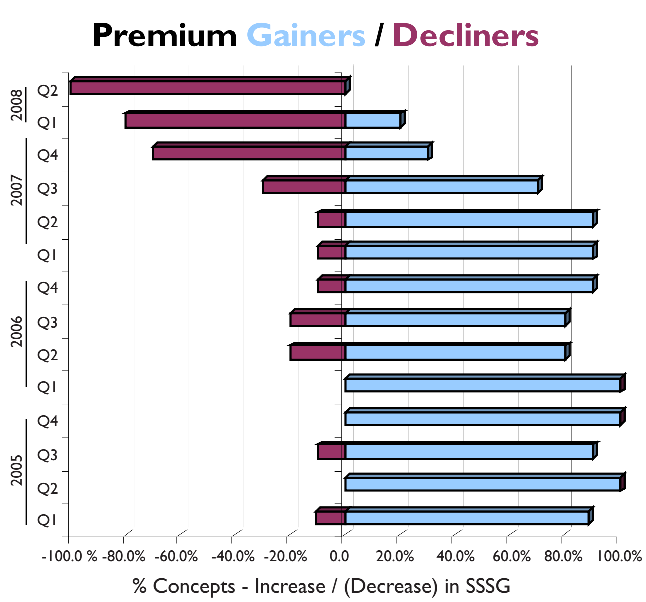
1. QSR restaurants include: AFC Enterprises (Popeye's), Backyard Burgers, Burger King, Caribou Coffee, Inc., Chick-Fil-A, Chipotle, CKE Restaurants, Dominos Pizza, Einstein Bros' Bagels, El Pollo Loco, Good Times Restaurant, Jack-in-the-Box Corp., Krispy Kreme, McDonald's, Papa Johns Int'l, Sonic Corp., Starbucks Coffee, Subway, Tim Horton's, Triarc (Arby's), Wendy's and Yum Brands

2. Casual restaurants include: Applebee's, BJ's Restaurants, Inc., Bob Evans Family Restaurants, BUCA, INC., Buffalo Wild Wings, California Pizza Kitchen, CBRL Group (Cracker Barrel), CEC Entertainment (Chuck E Cheese), Champps Entertainment, Inc., Cheesecake Factory, Chili's, Denny's, DineEquity, INC (IHOP), Famous Dave's of America, J. Alexander's, Luby's, Marie Callender's Restaurants, Max & Erma's Restaurants, Inc., Mimi's Café, Ninety Nine Restaurants, O'Charley's Restaurants, On the Border Mexican Cantina, Panera Bread Co., Pei Wei Asian Diner (PFCB Sub), Perkins Restaurants, PF Chang's China Bistro, Red Robin Gourmet Burgers, Romano's Macaroni Grill, Rubios, Ruby Tuesday, Steak N Shake Co., Stoney River Legendary Steaks, Texas Roadhouse, The Darden Group and Western Sizzlin Corp

3. Premium restaurants include: Benihana Teppanyaki, Capital Grille (Darden subsidiary), Haru Sushi, Kona Grill, Maggiano's Little Italy, McCormick and Schmick's, Morton's Restaurant Group, RA Sushi, Ruth's Chris' and Smith & Wollensky







Source: SEC Filings, Company Press Releases and Websites, and Capital IQ

Based on our analysis of the percentage of Gainers versus Decliners by segment, the generally accepted wisdom that QSRs outperform their casual and premium dining peers in economic downturns is confirmed. Since Q12007, the percentage of QSR Gainers and Decliners has remained relatively flat with approximately 74% of the QSR segment achieving positive same-store-sales growth. However, few casual and premium operators have been successful in driving positive same-store-sales, and more operators in both segments have instead experienced negative same-store-sales.

The majority of casual and premium dining companies have experienced consecutive quarters of negative system-wide same-store-sales and, as a result, we believe many individual units are cash flow negative due to rising food and labor costs. In this environment, multi-concept restaurant operators will look to divest these underperforming brands in order to focus resources on better performing concepts. Similarly, franchisee operators will look to close or sell their underperforming units. These trends present a buying opportunity for both proven and well capitalized restaurant operators looking for a turnaround concept and franchisors with an appetite to acquire underperforming units at bargain prices. Although M&A activity within the restaurant industry today is well below its peak from 2006 and 2007, today's environment offers attractive acquisition opportunities at significantly discounted multiples relative to those paid in 2006 and 2007.

> *"The majority of casual and premium dining companies have experienced negative system-wide same-store-sales"*

TM capital
Investment & Merchant Bankers

Restaurant M&A Environment

US M&A activity has slowed significantly due to instability in the global financial system and the consensus view that the US economy will experience a prolonged downturn. An activist Fed has been pursuing every avenue of monetary policy in its arsenal to keep Wall Street and the US economy stable, but an increasing number of multi-billion dollar bank rescues and a volatile stock market continue to cause consternation amongst business leaders.

Similarly, M&A activity within the restaurant industry has slowed in 2008, off from the record highs of 2006 and 2007 spurred by both private equity and strategic buyers competing to buy restaurant concepts and grow their restaurant portfolios amidst an environment of easy capital and a free spending consumer. Deteriorating operating conditions have pressured some restaurants operators to sell either their whole operations or ancillary concepts in an effort to focus on core brands. McDonald's shed its interests in both Chipotle and Boston Market to concentrate on revitalizing its menu and international operations. Casual dining giant OSI Restaurant Partners, whose brands include Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's, agreed to go private enabling the company to focus on reenergizing its brands and become more competitive without any external shareholder pressure to immediately enhance value. Similarly, Darden Restaurants, Inc. recently spun off its Smokey Bone's concept and Brinker International, Inc. recently spun off its Romano's Macaroni Grill concept due to underperformance. This trend of divesting non-core or underperforming brands will likely continue as restaurant operators struggle to focus their resources and capture the dwindling consumer dollar.

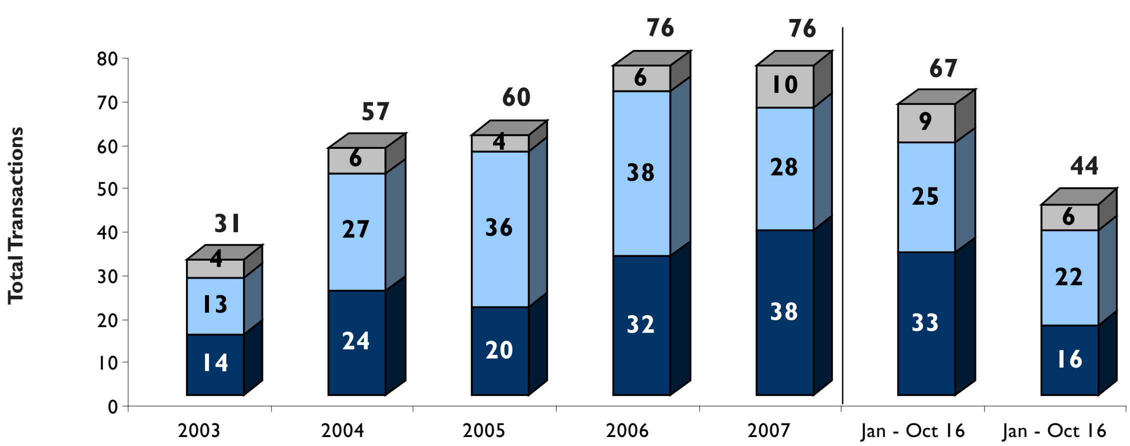
We also expect refranchising activity to increase as franchisors look to cheaply scoop up underperforming stores and wait for the storm of rising input costs and declining sales to pass. Several franchisors have acquired franchisee units in 2008 including Burger King (which bought 72 franchisee stores in July 2008) and Red Robin (which bought 28 franchisee owned stores in May 2008). We expect this trend to continue as franchisors try to improve the health of their concepts.

As restaurant M&A activity has slowed, transaction multiples have come down significantly from 2006 and 2007. As illustrated in the chart below, M&A activity has slowed in 2008 YTD from last year's level. The current economic headwinds coupled with severely constrained credit markets have brought multiples back in line with 2003-2005 levels.

> *"US Restaurant M&A activity has decreased significantly"*

Resturant Industry M&A Activity

Yearly Transactions by Segment



Enterprise Value / EBITDA Multiples

	2003	2004	2005	2006	2007	Jan - Oct 16 2007	Jan - Oct 16 2008
Median	4.9x	7.0x	7.6x	9.9x	11.0x	9.0x	6.7x
Average	5.4x	7.0x	8.7x	9.9x	10.7x	10.3x	6.4x

■ QSR □ Casual □ Premium

Source: Capital IQ

Summary

Today's challenging operating environment has clearly distinguished each restaurant segment's gainers and decliners in the competition for market share. Unfortunately, with the pressure of rising food and labor costs, even the gainers are struggling to maintain profitability.

With declining restaurant level margins, companies are forced to streamline their costs to maintain profitability. In this respect, larger chains have distinguished themselves over their smaller competitors through several economies of scale including:

- purchasing power in negotiating food and packaging supply contracts;
- increased sophistication in real estate selection and purchasing; and
- global brand/marketing strategies.

While those who have sustained profitability due to economies of scale or diversification into international markets are better positioned to weather the storm, standalone, underperforming concepts solely based in the US are the most likely to struggle. In these instances, strategic options will often be limited to either a distressed sale or bankruptcy filing. Recent bankruptcy victims include Ponderosa, Bonanza, Shell's Seafood Restaurants, Sonny's BBQ, Roadhouse Grill, Bennigan's and Steak & Ale. Distressed investors have already shown their appetites for these bankruptcy victims as Atalaya Capital has agreed to acquire certain assets out of the Bennigan's and Steak & Ale bankruptcy proceedings.

We believe we will continue to see similar distressed situations involving entire concepts or individual stores within the casual, premium and (to a lesser extent) QSR segments in the coming year, resulting in a healthy amount of M&A activity as stakeholders seek to preserve equity and avoid a bankruptcy filing. This environment will present a significant buying opportunity for both proven and well capitalized restaurant operators looking for a turnaround concept and franchisors looking to acquire underperforming units at bargain prices.

--TM Capital Corp.

"Times are tough, but the current environment will present a significant buying opportunity"

TM capital
Investment & Merchant Bankers

Analysis of Selected Publicly Traded Quick Service Restaurants

($ in millions, except per share data)

Company	Ticker	Closing Share Price 10/28/2008	% of 52 Week High	Market Capitalization	Enterprise Value	Enterprise Value Multiples: Sales LTM	Enterprise Value Multiples: Sales 2008	Enterprise Value Multiples: EBITDA LTM	Enterprise Value Multiples: EBITDA 2008	5-Year Sales CAGR	Long-Term EPS Growth Rate	LTM Margins EBITDA	LTM Margins EBIT
AFC Enterprises Inc.	AFCE	$3.97	27.7%	$100.2	$228.8	1.3x	1.4x	5.0x	5.5x	1.2%	15.0%	26.6%	22.5%
Burger King Holdings Inc.	BKC	$17.33	56.0%	2,363.0	3,144.0	1.3	1.2	7.0	6.8	8.8%	16.3%	18.2%	14.3%
Caribou Coffee Company, Inc.	CBOU	$1.70	25.3%	32.9	29.3	0.1	0.1	1.1	2.8	17.6%	15.0%	10.4%	(2.1%)
Chipotle Mexican Grill, Inc.	CMG	$51.50	33.1%	1,715.8	1,507.6	1.2	1.1	8.4	8.4	34.2%	22.2%	14.0%	10.1%
CKE Restaurants Inc.	CKR	$7.57	46.6%	398.1	745.9	0.5	0.5	4.9	5.1	1.4%	16.0%	10.0%	6.0%
Dominos Pizza Inc.	DPZ	$4.97	32.1%	282.2	1,967.0	1.4	1.4	8.5	9.0	1.7%	10.5%	16.0%	13.9%
Einstein Noah Restaurant Group, Inc.	BAGL	$6.43	25.8%	102.4	229.5	0.6	0.5	5.4	5.0	1.7%	14.0%	10.3%	7.2%
Jack in the Box Inc.	JBX	$17.03	52.7%	965.7	1,449.7	0.5	0.5	5.5	4.7	8.4%	12.5%	8.9%	5.5%
Krispy Kreme Doughnuts Inc.	KKD	$2.43	43.0%	166.4	208.5	0.5	0.5	8.5	8.0	(9.6%)	NA	6.0%	2.5%
McDonald's Corp.	MCD	$56.62	84.5%	65,351.2	74,069.2	3.1	3.1	10.0	9.6	7.1%	10.8%	31.4%	26.2%
Nathan's Famous Inc.	NATH	$15.68	86.3%	104.6	67.1	1.4	NA	9.7	NA	12.2%	NA	14.6%	12.9%
Papa John's International Inc.	PZZA	$20.09	65.5%	564.6	703.7	0.6	0.6	8.0	6.1	5.0%	12.0%	7.9%	5.0%
Sonic Corp.	SONC	$9.54	38.4%	575.5	1,363.4	1.7	1.7	6.3	7.1	10.7%	13.8%	27.0%	20.7%
Starbucks Corp.	SBUX	$10.86	40.6%	7,934.3	8,768.5	0.9	0.8	6.5	6.4	21.5%	17.5%	13.1%	7.7%
Tim Hortons Inc.	THI	$21.87	55.4%	4,004.9	4,328.9	2.2	2.1	8.9	7.9	12.3%	13.4%	24.9%	20.5%
Wendy's/Arby's Group, Inc.	WEN	$3.32	56.8%	308.9	1,033.0	0.8	0.3	7.5	NA	38.2%	NA	10.9%	5.6%
Yum! Brands Inc.	YUM	$29.25	70.1%	13,530.4	16,855.4	1.5	0.1	8.8	8.2	6.3%	11.8%	17.2%	12.1%

	% of 52 Week High	Market Capitalization	Enterprise Value	Sales LTM	Sales 2008	EBITDA LTM	EBITDA 2008	5-Year Sales CAGR	Long-Term EPS Growth Rate	EBITDA	EBIT
Median	**44.8%**	**$481.3**	**$1,198.2**	**1.0x**	**0.8x**	**7.3x**	**6.6x**	**8.6%**	**14.0%**	**13.6%**	**8.9%**
Mean	48.1%	5,310.7	6,240.3	1.1	1.1	6.9	6.6	10.8%	14.5%	15.6%	11.2%
High	86.3%	65,351.2	74,069.2	3.1	3.1	10.0	9.6	38.2%	22.2%	31.4%	26.2%
Low	25.3%	32.9	29.3	0.1	0.1	1.1	2.8	(9.6%)	10.5%	6.0%	(2.1%)

Source: Capital IQ

Analysis of Selected Publicly Traded Casual Restaurants

($ in millions, except per share data)

Company	Ticker	Closing Share Price 10/28/2008	% of 52 Week High	Market Capitalization	Enterprise Value	Enterprise Value Multiples Sales LTM	Enterprise Value Multiples Sales 2008	Enterprise Value Multiples EBITDA LTM	Enterprise Value Multiples EBITDA 2008	5-Year Sales CAGR	Long-Term EPS Growth Rate	LTM Margins EBITDA	LTM Margins EBIT
Bob Evans Farms Inc.	BOBE	$20.21	58.2%	$625.2	$920.3	0.5x	0.5x	4.8x	4.8x	9.4%	12.0%	11.0%	6.5%
BJ's Restaurants Inc.	BJRI	$8.65	42.9%	228.0	221.4	0.6	0.6	6.8	6.4	30.1%	24.9%	9.0%	4.1%
Brinker International Inc.	EAT	$8.64	33.4%	876.0	1,772.1	0.4	0.5	4.0	4.8	4.8%	11.9%	10.3%	6.4%
Buffalo Wild Wings Inc.	BWLD	$25.25	56.1%	452.5	378.5	1.0	0.9	7.2	6.1	26.8%	24.1%	14.2%	8.8%
California Pizza Kitchen Inc.	CPKI	$9.44	55.8%	231.6	284.7	0.4	0.4	3.9	3.9	14.6%	16.0%	10.9%	4.8%
CBRL Group Inc.	CBRL	$17.50	43.9%	391.5	1,167.4	0.5	0.5	5.6	5.6	0.0%	11.2%	8.8%	6.4%
CEC Entertainment Inc.	CEC	$21.62	54.6%	489.5	879.2	1.1	1.1	4.6	4.6	4.7%	13.3%	23.3%	14.2%
The Cheesecake Factory Incorporated	CAKE	$8.38	33.9%	500.4	772.4	0.5	0.5	4.6	4.5	16.7%	14.0%	10.5%	6.0%
Darden Restaurants Inc.	DRI	$19.70	45.6%	2,732.9	4,617.6	0.7	0.6	5.4	5.1	8.0%	11.5%	12.3%	8.5%
Denny's Corp.	DENN	$1.29	26.5%	123.9	449.4	0.5	0.6	4.8	5.2	(2.3%)	30.0%	11.1%	6.5%
DineEquity, Inc.	DIN	$18.30	28.3%	320.3	2,964.7	2.5	1.8	10.5	NA	26.6%	7.0%	24.0%	17.5%
Famous Dave's of America Inc.	DAVE	$4.00	23.3%	37.0	58.4	0.4	0.4	3.5	NA	7.6%	21.0%	12.2%	8.2%
J. Alexander's Corp.	JAX	$4.40	33.0%	29.4	42.5	0.3	NA	3.7	NA	6.5%	NA	8.1%	4.1%
Luby's Inc.	LUB	$4.33	37.8%	121.0	116.4	0.4	0.4	7.2	6.0	1.9%	0.0%	5.1%	(0.5%)
O'Charley's Inc.	CHUX	$6.29	38.4%	133.9	290.7	0.3	0.3	4.0	4.5	5.2%	14.0%	7.6%	2.2%
Panera Bread Co.	PNRA	$39.39	60.6%	1,208.2	1,175.2	0.9	0.9	7.1	6.5	29.5%	17.2%	13.4%	8.2%
PF Chang's China Bistro Inc.	PFCB	$17.34	52.5%	412.5	594.7	0.5	0.5	4.9	5.0	18.3%	15.4%	10.0%	4.4%
Red Robin Gourmet Burgers Inc.	RRGB	$14.12	32.4%	238.5	447.6	0.5	0.5	4.3	4.3	23.1%	17.4%	12.4%	6.7%
Rubio's Restaurants Inc.	RUBO	$3.80	34.6%	37.8	34.5	0.2	0.2	3.6	3.5	7.5%	25.0%	5.6%	0.4%
Ruby Tuesday, Inc.	RT	$2.16	13.5%	114.0	670.4	0.5	0.5	4.9	4.9	6.1%	10.0%	10.2%	4.6%
Steak n Shake Co.	SNS	$4.98	32.4%	142.4	308.1	0.5	0.5	7.7	9.1	4.7%	13.0%	6.5%	1.1%
Texas Roadhouse Inc.	TXRH	$6.87	50.5%	494.8	584.7	0.7	0.7	5.7	5.4	25.9%	20.3%	12.8%	8.6%
Western Sizzlin Corp.	WEST	$9.25	46.3%	26.3	30.3	1.8	NA	14.6	NA	(4.4%)	NA	12.1%	6.0%

	% of 52 Week High	Market Capitalization	Enterprise Value	Sales LTM	Sales 2008	EBITDA LTM	EBITDA 2008	5-Year Sales CAGR	Long-Term EPS Growth Rate	EBITDA	EBIT
Median	**38.4%**	**$238.5**	**$449.4**	**0.5x**	**0.5x**	**4.9x**	**5.0x**	**7.6%**	**14.0%**	**10.9%**	**6.4%**
Mean	40.6%	433.4	816.6	0.7	0.6	5.8	5.3	11.8%	15.7%	11.4%	6.2%
High	60.6%	2,732.9	4,617.6	2.5	1.8	14.6	9.1	30.1%	30.0%	24.0%	17.5%
Low	13.5%	26.3	30.3	0.2	0.2	3.5	3.5	(4.4%)	0.0%	5.1%	(0.5%)

Source: Capital IQ

Analysis of Selected Publicly Traded Premium Restaurants

($ in millions, except per share data)

Company	Ticker	Closing Share Price 10/28/2008	% of 52 Week High	Market Capitalization	Enterprise Value	Enterprise Value Multiples: Sales LTM	Enterprise Value Multiples: Sales 2008	Enterprise Value Multiples: EBITDA LTM	Enterprise Value Multiples: EBITDA 2008	5-Year Sales CAGR	Long-Term EPS Growth Rate	LTM Margins: EBITDA	LTM Margins: EBIT
Benihana Inc.	BNHN	$2.84	15.9%	$43.5	$88.4	0.3x	0.3x	2.5x	2.8x	9.6%	NA	11.9%	6.0%
Kona Grill Inc.	KONA	$2.51	13.2%	16.3	10.4	0.1	0.1	2.3	3.0	40.3%	27.5%	6.0%	(2.3%)
McCormick & Schmick's Seafood Restaurants, Inc.	MSSR	$5.32	30.6%	78.3	101.8	0.3	0.3	4.2	3.7	15.7%	17.4%	6.5%	2.9%
Morton's Restaurant Group Inc.	MRT	$3.42	24.2%	56.4	112.5	0.3	0.3	4.4	3.8	7.8%	15.7%	7.0%	3.6%
Ruth's Hospitality Group Inc.	RUTH	$2.41	18.5%	58.8	235.9	0.7	0.6	5.7	5.4	18.7%	16.8%	11.5%	7.6%

	% of 52 Week High	Market Capitalization	Enterprise Value	Sales LTM	Sales 2008	EBITDA LTM	EBITDA 2008	5-Year Sales CAGR	Long-Term EPS Growth Rate	EBITDA Margin	EBIT Margin
Median	**18.5%**	**$56.4**	**$101.8**	**0.3x**	**0.3x**	**4.2x**	**3.7x**	**15.7%**	**17.1%**	**7.0%**	**3.6%**
Mean	20.5%	50.7	109.8	0.3	0.3	3.8	3.7	18.4%	19.3%	8.6%	3.5%
High	30.6%	78.3	235.9	0.7	0.6	5.7	5.4	40.3%	27.5%	11.9%	7.6%
Low	13.2%	16.3	10.4	0.1	0.1	2.3	2.8	7.8%	15.7%	6.0%	(2.3%)

Source: Capital IQ

Recent Restaurant Industry Experience

eatZi's EASYGOING GOURMET

has completed a recapitalization and management buyout from

BRINKER INTERNATIONAL

The undersigned acted as an advisor to EatZi's Market & Bakery in connection with this transaction.

M&A INTERNATIONAL

AUTOGRILL

has acquired 100% of

RECECO

The undersigned acted as an advisor to Autogrill in connection with this transaction.

M&A INTERNATIONAL

First Leisure Holdings Limited

BRANNIGANS

has been acquired by

Mustard Entertainment Restaurants Ltd.

The undersigned acted as an advisor to First Leisure Holdings, Ltd. in connection with this transaction.

M&A INTERNATIONAL

AROMA

has been acquired by

McDonald's Restaurant Operations, Inc.

The undersigned acted as an advisor to Aroma, Ltd. in connection with this transaction.

M&A INTERNATIONAL

MaPOTTER'S CHARGRILL

has been acquired by

TRAGUS

The undersigned acted as financial advisor to Ma Potter's Limited in connection with this transaction.

M&A INTERNATIONAL

IGOR'S GROUP

has been acquired by

Chevalier iTech Holdings Limited.

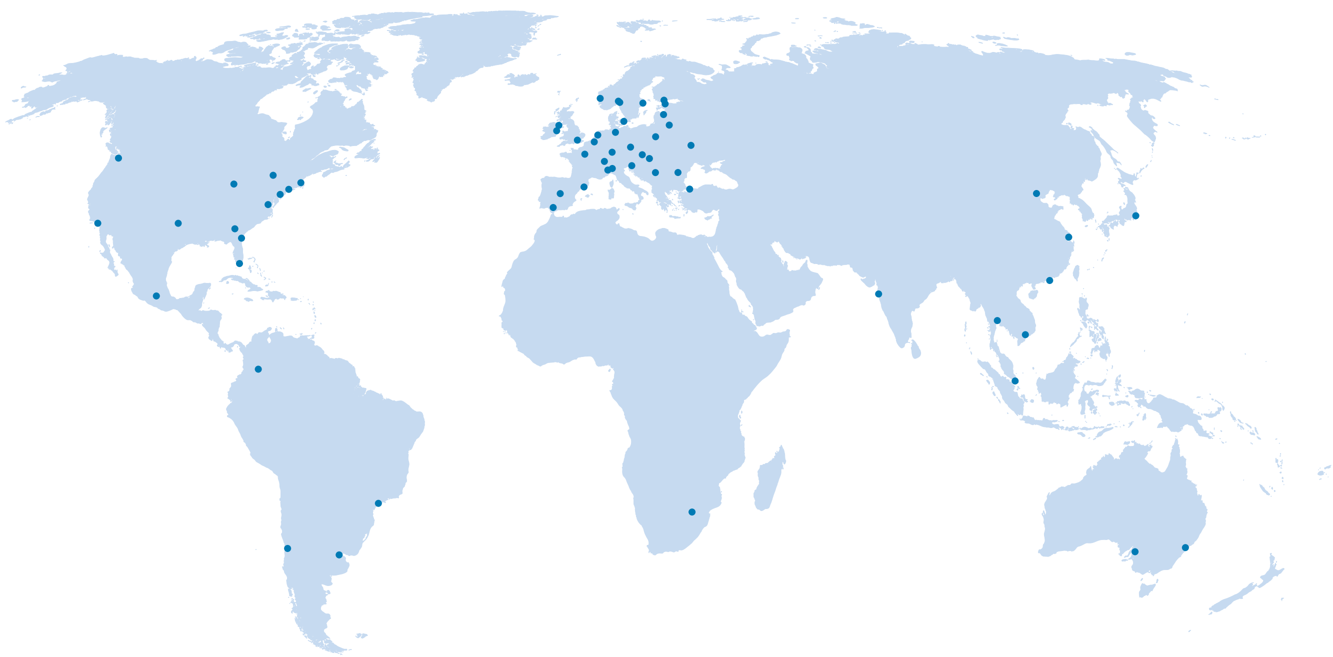
The undersigned acted as financial advisor to Igor's Group in connection with this transaction.

M&A INTERNATIONAL

About TM Capital Corp.

Founded in 1989, TM Capital Corp. is an investment and merchant banking firm which has completed nearly 200 transactions with a combined value in excess of $11 billion for our global roster of clients. From our offices in New York, Boston and Atlanta, our team of experienced professionals commits extensive resources to achieving our clients' strategic and financial objectives. TM Capital provides a range of services to its public and private company clients, including: executing exclusive sales and divestitures; identifying and negotiating value-enhancing acquisitions; arranging debt and equity financings for acquisitions, growth capital and recapitalizations; negotiating complex financial restructurings; advising in connection with contested takeovers; providing fairness opinions and valuations; and investing as principal where TM's expertise and capital can be a catalyst for value creation. TM Capital is a partner in M&A International Inc., the world's most formidable alliance of mergers & acquisitions firms with over 500 professionals in 40 countries worldwide. To learn more about how TM Capital can help you achieve your strategic goals, please visit www.tmcapital.com.

M&A Advisory on a Global Scale



With 41 offices in 40 countries in the Americas, Europe, Africa and Asia-Pacific, TM Capital and its M&A International Inc. partner firms provide you with a world of opportunity in today's global M&A market.

New York

One Battery Park Plaza
24th Floor
New York, NY 10004
Tel: (212) 809-1360

Boston

100 Lowder Brook Drive
Suite 1400
Westwood, MA 02090
Tel: (781) 320-3200

Atlanta

Fifteen Piedmont Center NE
Suite 1010
Atlanta, GA 30305
Tel: (404) 995-6230

TM capital
Investment & Merchant Bankers
www.tmcapital.com