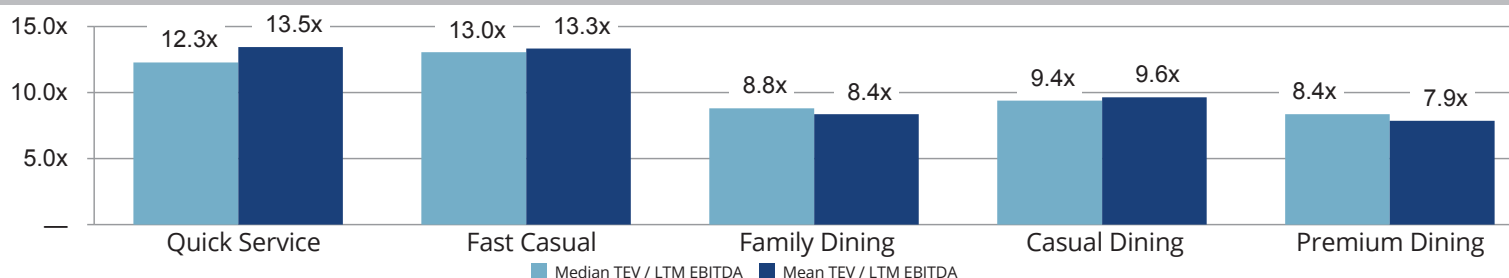


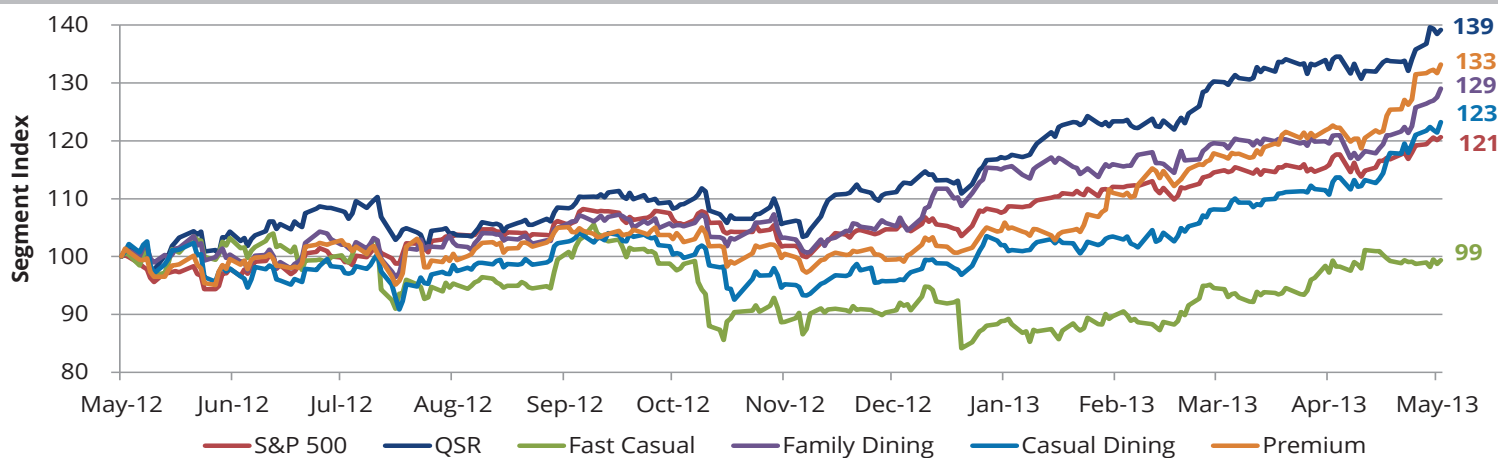
## Restaurant Industry Commentary

The US restaurant market continued its modestly positive momentum from March into April, posting positive same store sales across all price points for the month. Due to improved performance in March—following a tough January and February—all segments achieved positive same store sales for the first quarter of 2013 except the Casual Dining segment. The effect of the increase in payroll taxes seems to have moderated after Q1 with operator confidence improving and consumers expressing a greater willingness to spend on restaurants in April. This improvement in sentiment, along with easier sales comparisons in the summer months, suggests that positive same store sales trends are sustainable. Current valuations for public restaurants continue to be inversely correlated to price point, with value-priced restaurants (Fast Casual and QSR) commanding richer valuations due to higher growth expectations than premium-priced brands. M&A activity remained slow through April, continuing the Q1 hangover coming off of the pre-year end 2012 deal flurry. Nonetheless, we still expect an increase in sponsor-led M&A activity, as indicated by the April acquisition of Tokyo Joe's by Gridiron Capital.

### Current Restaurant Valuations by Price Point (TEV / LTM EBITDA)



### Public Market Performance (Latest Twelve Months)



### Recent Restaurant M&A Activity

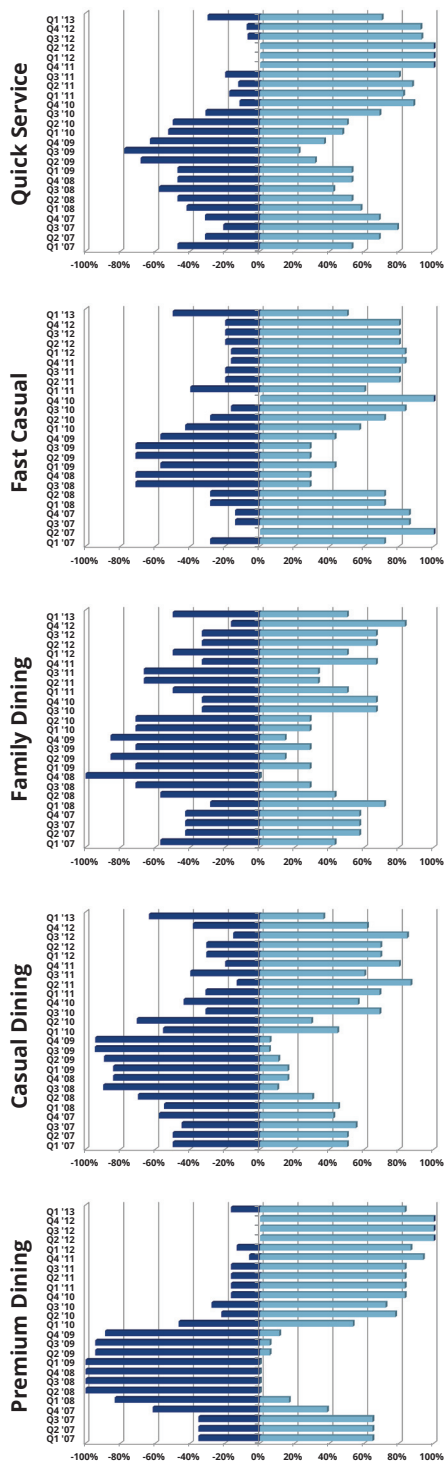
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple	Industry Segment
04/16/2013	Tokyo Joe's	Gridiron Capital, LLC	NA	NA / NA	Fast Casual
04/09/2013	Mac Parent LLC	Ignite Restaurants Group, Inc.	\$55.0	NA / NA	Casual
02/15/2013	Mimi's Café, LLC	Le Duff America Inc.	\$50.0	NA / NA	Casual
01/15/2013	20 McCalister's stores in OK, KS and MO	The Saxton Group Limited	NA	NA / NA	Fast Casual
01/09/2013	Fast Fresh Italian, LLC	DiNella Hospitality Ilc	NA	NA / NA	Fast Casual
01/02/2013	Pacific Island Restaurants, Inc.	Nimes Capital	NA	NA / NA	QSR
12/29/2012	Goldco, LLC and 33 BK stores in Broward County, FL	PNC RiverArch Capital	NA	NA / NA	QSR
12/26/2012	Tacala LLC and Boom Foods LLC	Altamont Capital Partners	NA	NA / NA	QSR
12/17/2012	Caribou Coffee Company, Inc	The Joh. A. Benckiser Group	\$310.0	\$27.4 / 11.3x	QSR
12/10/2012	Southern California Pizza Company, LLC	Sterling Investment Partners	NA	NA / NA	QSR
11/26/2012	49 Popeyes in San Antonio and Houston	Z&H Foods Inc.	NA	NA / NA	QSR
11/06/2012	120 KFCs in mid-Atlantic	Mitra QSR KNE, LLC / Chalak Growth Capital	NA	NA / NA	QSR
10/15/2012	28 Popeyes in MN and Northern CA	AFC Enterprises, Inc.	NA	NA / NA	QSR

(\$ in millions)

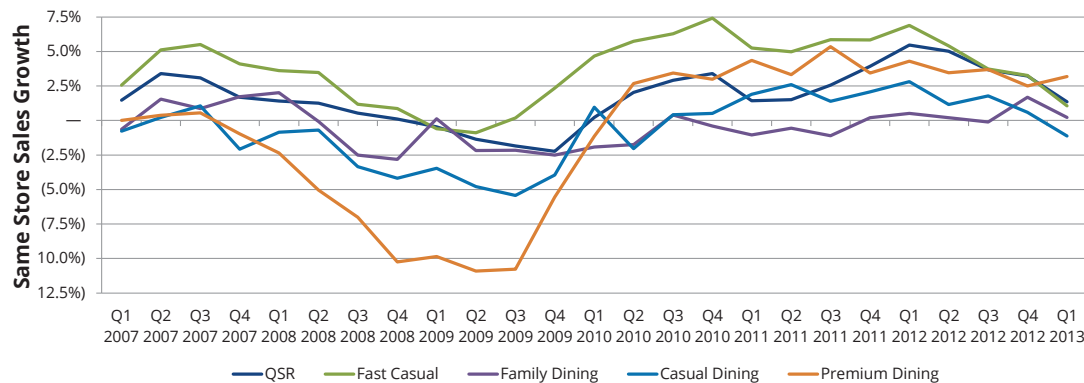
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

## Quarterly Gainers & Losers by Price Point

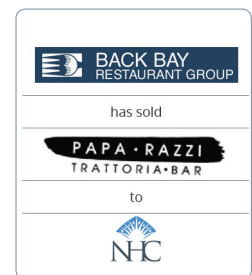
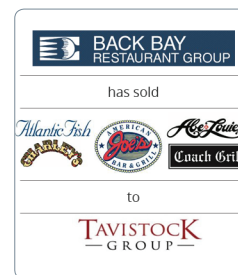
### Decliners / Gainers



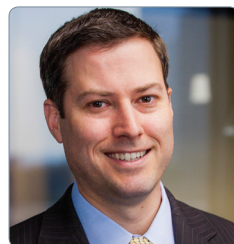
## Same Store Sales by Price Point



## Recent TM Capital Restaurant Experience



## TM Capital's Restaurant Practice



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## About TM Capital

TM Capital Corp. is a partner-owned investment banking firm based in New York, Boston and Atlanta, which has completed over 250 transactions with a combined value in excess of \$13.5 billion. Since 1989, we have advised clients navigating a full range of critical transactions, including complex mergers, acquisitions, debt and equity financings, minority and majority recapitalizations, restructurings, and advisory services including takeover defense, fairness and solvency opinions, valuations, as well as litigation support. We have built deep industry expertise in key sectors and our team regularly publishes research highlighting current and emerging trends in targeted industries and markets. TM Capital is a member firm of M&A International Inc., the world's leading alliance of mid-market investment banks with over 600 M&A professionals in 40 countries. Members have closed over 1,300 transactions totaling more than \$75 billion in value over the past five years. For more information, visit [www.tmcapital.com](http://www.tmcapital.com).

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