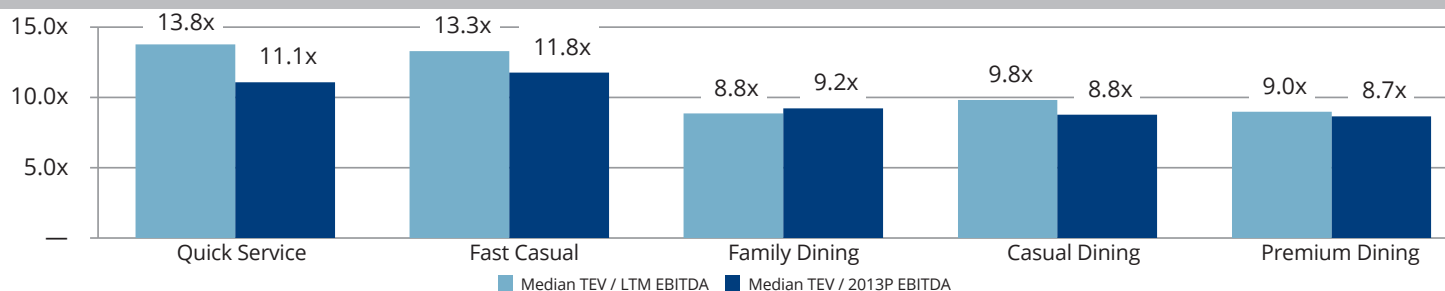


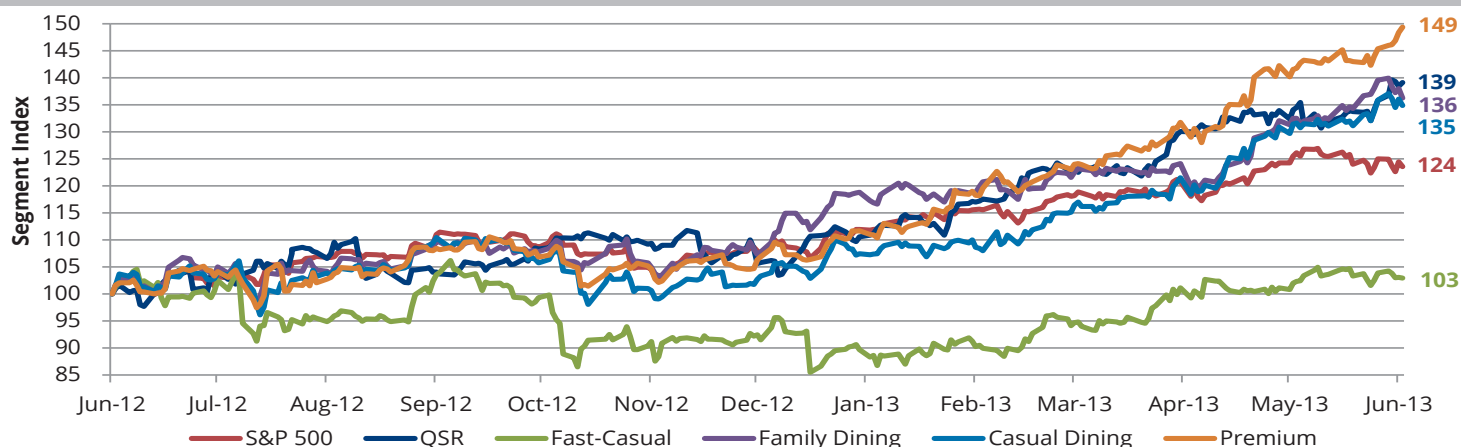
## Restaurant Industry Commentary

Public market valuations have expanded over the last month in every industry segment, defying the trend of the broader market. The companies tracked in our TM Capital restaurant index are trading at or near their 52-week highs and the overall index has achieved 25.6% growth in the five month year-to-date period (relative to 11.1% growth by the S&P 500). Restaurant sales continued to grow through May, marking a third consecutive month of positive comparable sales - a feat not achieved since last summer. Notably, McDonald's recorded a US comparable sales increase of 2.4% for the month. Consumers have generally eased into a more positive outlook on the overall economy as personal consumption expenditures have steadily increased and unemployment logged its ninth month below 8.0% in May. These factors have helped drive growth in Americans' willingness to spend on food outside of the home. Furthermore, while not robust by historical perspectives, M&A activity has picked up from a slow first quarter, and May saw another acquisition by Houston-based restaurant consolidator, Landry's, Inc. This time, Landry's snapped up Mastro's Restaurants LLC, a Woodland Hills, California-based owner and operator of 11 premium steak and seafood eateries.

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



### Public Market Performance (Latest Twelve Months)



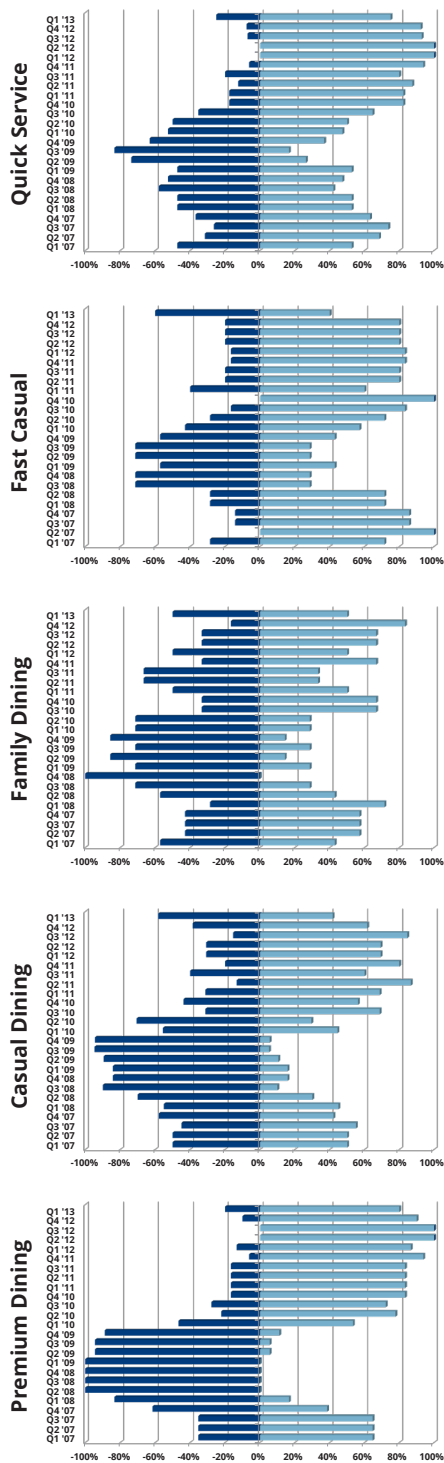
### Recent Restaurant M&A Activity

| Closed / Announced | Target   | Acquiror                                   | Enterprise Value | EBITDA / Value Multiple | Industry Segment |
|--------------------|--|--|------------------|-------------------------|------------------|
| 05/24/2013         | Mastro's Restaurants, LLC                          | Landry's, Inc.                             | NA               | NA / NA                 | Premium          |
| 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              |

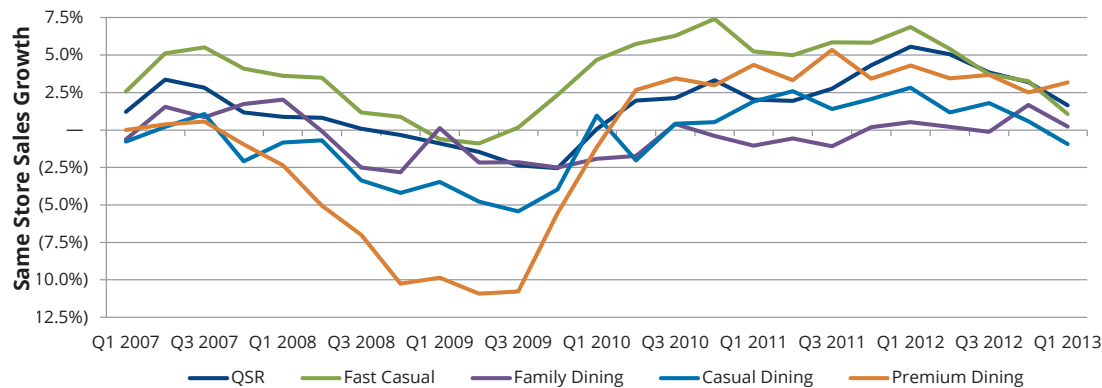
(\$ in millions)

## Quarterly Gainers & Losers by Price Point

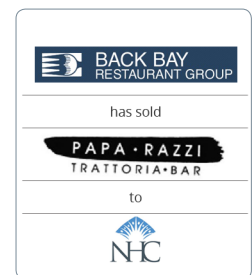
### Decliners / Gainers



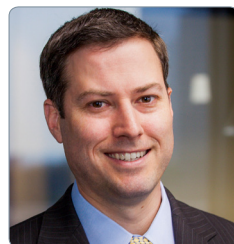
## Same Store Sales by Price Point



## 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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