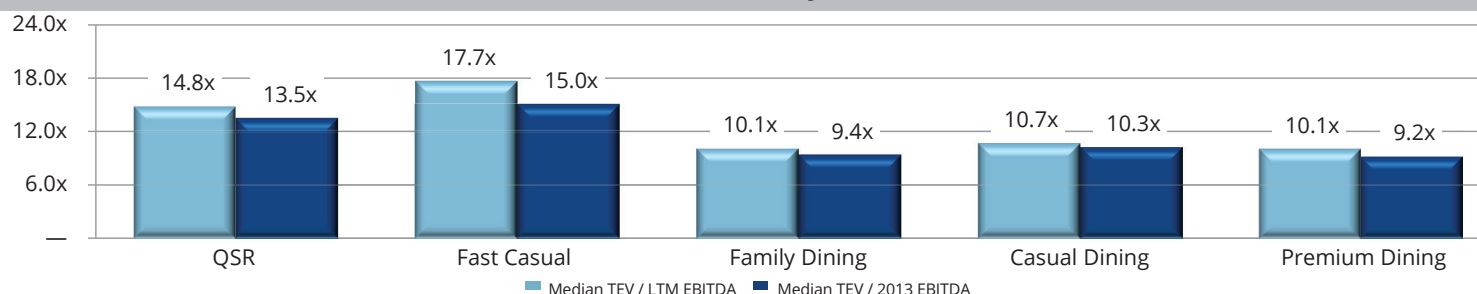




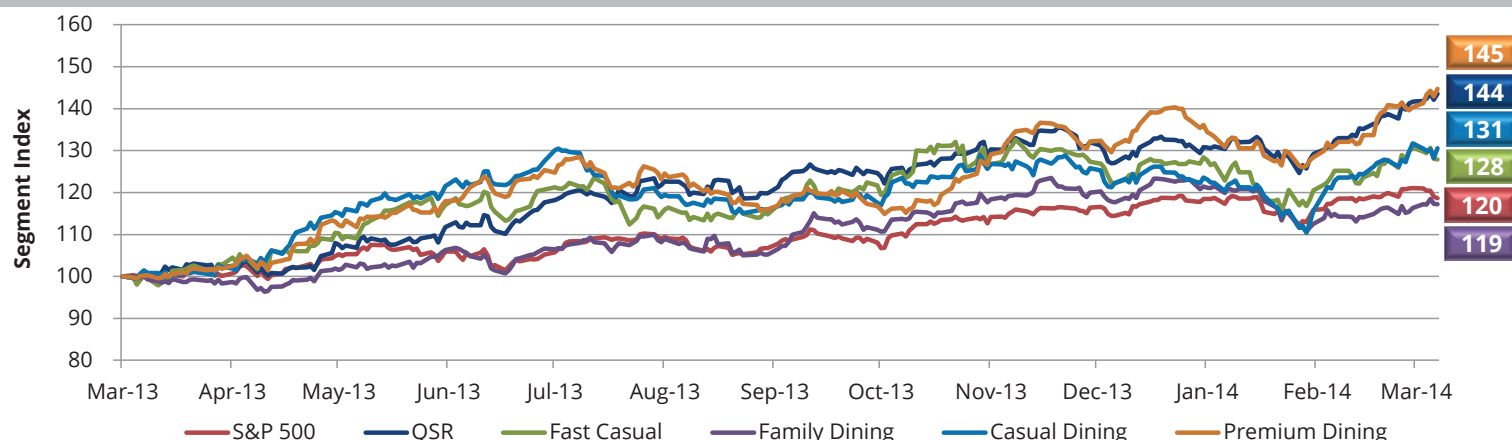
Restaurant Industry Commentary

The restaurant industry reported soft performance across the board in February, with Blackbox Intelligence reporting comparable restaurant sales and same-store traffic declines of 0.7% and 3.2%, respectively. Notwithstanding, the outlook for March and April remains guardedly positive as Thompson Reuters' consumer confidence index rose during the second month of the year – suggesting that spending may pick up in the wake of several wildly inclement winter months. While the industry has largely stagnated, Fast Casual and QSR chains continue to generate consistent performance by catering to customers' increasingly value-driven purchasing decisions. Public markets are echoing this trend, as these limited service segments trade at substantial premiums to their full service counterparts. Both **Zoe's Kitchen** and **Papa Murphy's** submitted IPO filings during the first half of March, hoping to capitalize on the capital markets' seemingly insatiable demand for high growth, emerging brands that has beneficiaries **Chipotle Mexican Grill** and **Noodles & Company** trading at LTM EBITDA multiples of 28.2x and 27.4x, respectively.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)

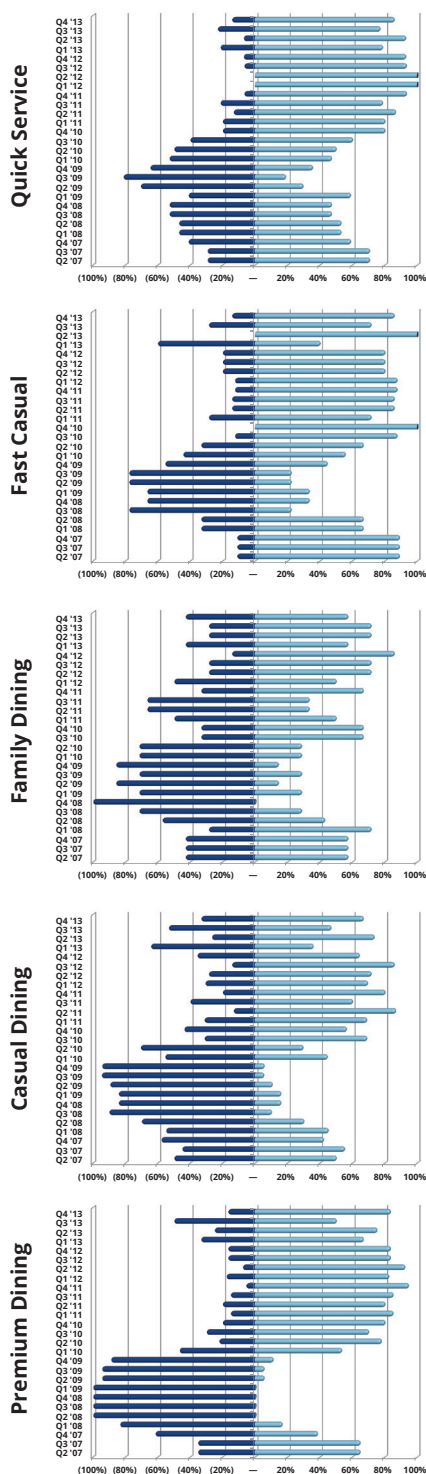


Recent Restaurant M&A Activity

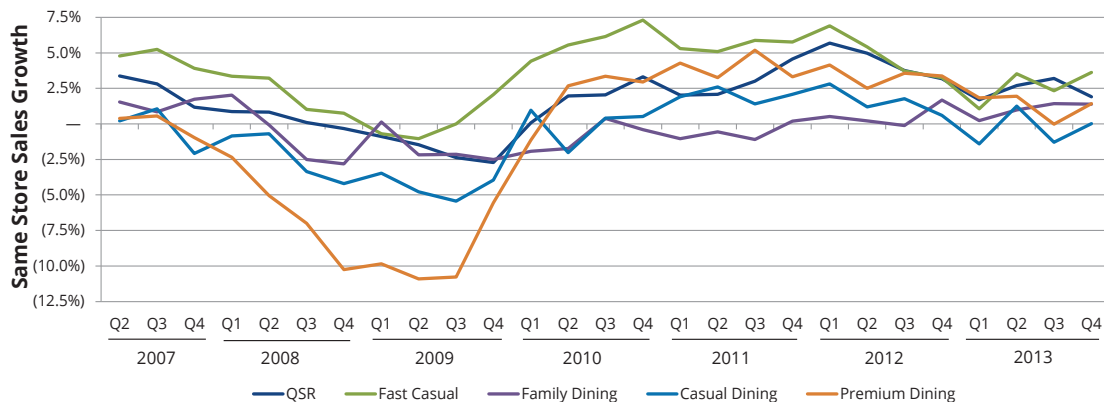
(\$ in millions)								
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment	
03/19/2014	Mexican Restaurants, Inc.	Williston Holding Company (OTC:WHCA)	\$16.0	\$3.4	/	4.7x	Casual	
02/08/2014A	Patina Restaurant Group, LLC	Delaware North Companies	NA	NA	/	NA	QSR	
01/24/2014A	Checkers Drive-In Restaurants, Inc.	Sentinel Capital Partners	NA	NA	/	NA	QSR	
12/05/2013A	Dallas Spoon	Chanticleer Holdings	NA	NA	/	NA	Premium	
11/21/2013A	The Wendy's Company, 38 Wendy's Locations	Richard Holland	NA	NA	/	NA	QSR	
02/11/2014	CEC Entertainment (Chuck E Cheese)	Apollo Global Management	\$1,295.5	\$170.46	7.6x		Family	
01/09/2014	PJ United	TPG Growth	NA	NA	/	NA	QSR	
01/06/2014	Lonestar Steakhouse & Saloon	Day Star Restaurant Group	NA	NA	/	NA	Casual	
12/27/2013	The Wendy's Company, 30 Wendy's Locations	HAZA Foods, LLC	NA	NA	/	NA	QSR	
12/26/2013	CKE Restaurants Inc.	Roark Capital Group	\$1,700.0	NA	/	NA	QSR	
12/18/2013	The Bailey Company (47 Arby's restaurants)	Unied States Beef Corporation	NA	NA	/	NA	QSR	
12/18/2013	10 Subway Sandwich Shops	Rottinghaus Company, Inc.	NA	NA	/	NA	QSR	
12/16/2013	Vasari LLC (74 unit Dairy Queen franchisee)	Eagle Merchant Partners	NA	NA	/	NA	QSR	
12/16/2013	Mad Greens Corporation	AC Restaurant Group	NA	NA	/	NA	Fast Casual	

Quarterly Gainers & Losers by Price Point

Decliners / Gainers



Same Store Sales by Price Point



Recent TM Capital Restaurant Experience

Burger King Coldco
a portfolio company of
PNC RIVERARCH CAPITAL
has acquired
FAST FOOD ENTERPRISES #2, LLP
A FRANCHISE OF THE BURGER KING CORPORATION

PNC RIVERARCH CAPITAL
has acquired
Burger King Coldco
a portfolio company of
EQUICORP Partners

BACK BAY RESTAURANT GROUP
has sold
Atlantic Fish, **Goose**, **Coach Grill**
to
TAVISTOCK GROUP

BACK BAY RESTAURANT GROUP
has sold
PAPA RAZZI TRATTORIA BAR
to
NHC

Arbys
a subsidiary of
TRIARC
has acquired
RTM RESTAURANT GROUP

Smith & Wollensky
has been acquired by
BUNKER HILL CAPITAL
and
PRG PATINA RESTAURANT GROUP

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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 \$14 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 39 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.

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