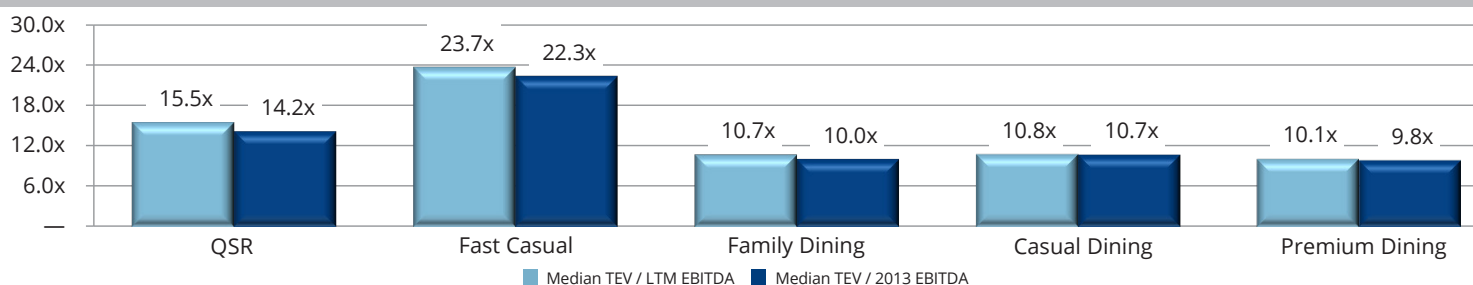




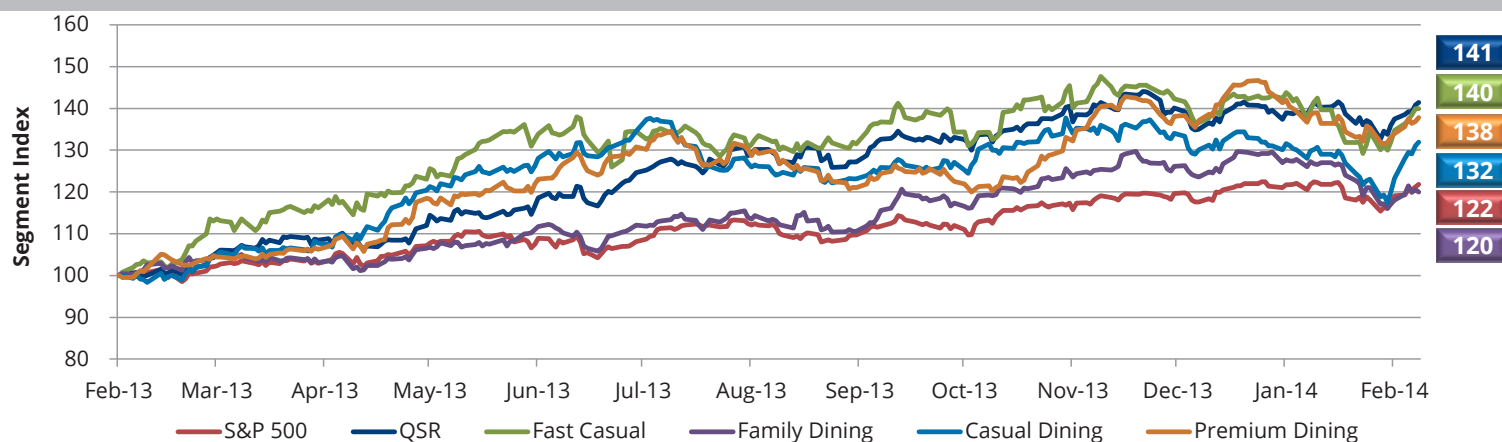
Restaurant Industry Commentary

January represented the second consecutive month of marginal performance for the restaurant industry, with Blackbox Intelligence reporting same store sales and comparable restaurant traffic declines of 0.9% and 2.2%, respectively. However, operators maintain a modestly optimistic outlook with the soft performance being attributed largely to inclement weather nationwide. While the industry as a whole limped into the first month of 2014, the QSR and Fast Casual segments continue to generate positive performance, as consumers continually seek convenient, value-driven foodservice options amidst somewhat stagnant personal income and modestly resurgent consumer sentiment. Public valuations reflect the growing bifurcation between limited and full service restaurants, as the QSR and Fast Casual segments continue to trade at premiums relative to the industry more broadly. M&A activity maintained its momentum to kick-off the year, headlined by **Sentinel Capital Partners'** (owner of the Georgia-based **Huddle House**) announced acquisition of **Checkers Drive-In Restaurants** for an undisclosed amount.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



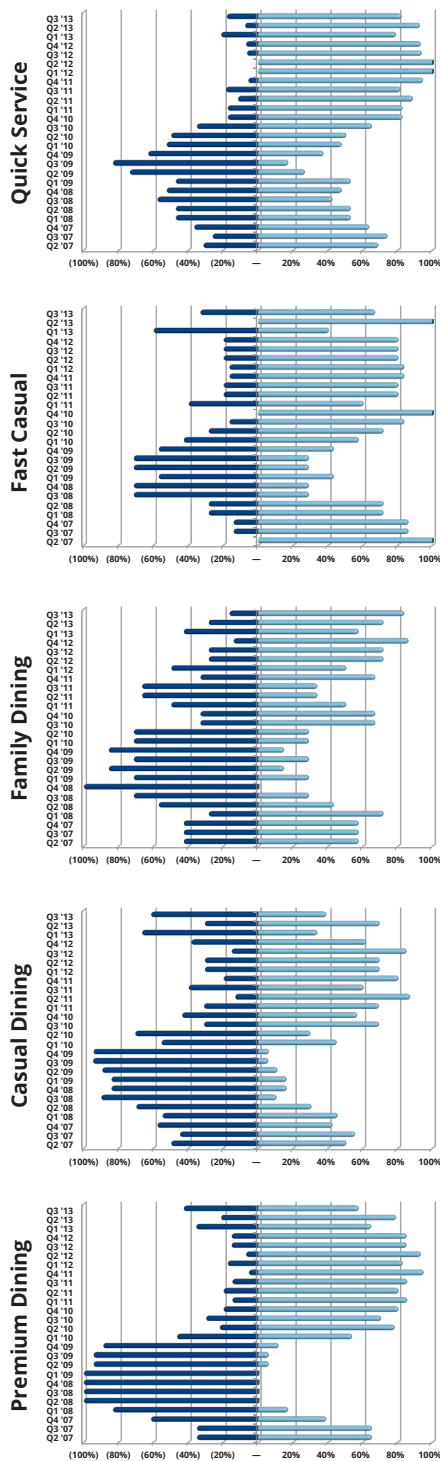
Recent Restaurant M&A Activity

(\$ in millions)							
Closed /	Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple		Industry Segment
	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 Dairy Queen franchisee)	Eagle Merchant Partners	NA	NA	/ NA	QSR
	12/16/2013	Mad Greens Corporation	AC Restaurant Group	NA	NA	/ NA	Fast Casual
	12/09/2013	The Wendy's Company, 54 Wendy's Locations	NPC International	\$31.3	NA	/ NA	QSR
	12/02/2013	Captain D's	Centre Partners	NA	NA	/ NA	QSR

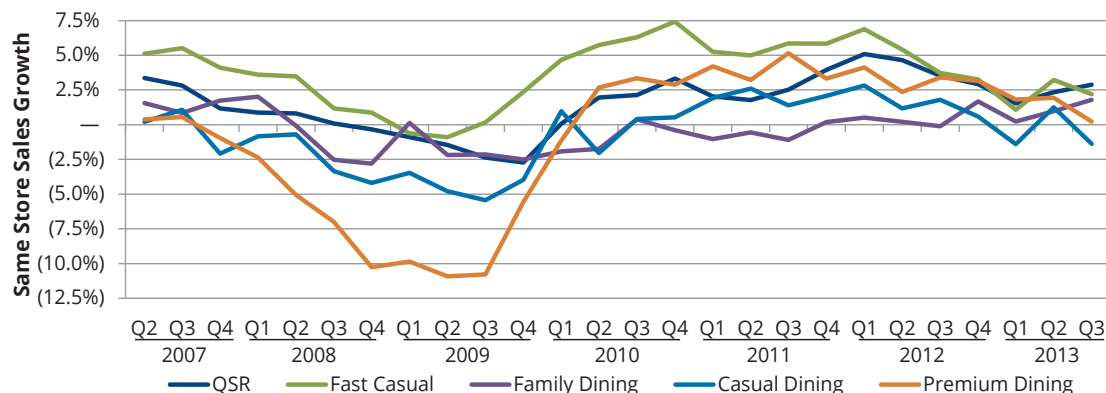
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

Quarterly Gainers & Losers by Price Point

Decliners / Gainers



Same Store Sales by Price Point



Recent TM Capital Restaurant Experience

 **oldco**

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




 **oldco**

a portfolio company of


 **EQUICORP Partners**


 **BACK BAY RESTAURANT GROUP**

has sold


  

to


 **TAVISTOCK GROUP**

 **BACK BAY RESTAURANT GROUP**

has sold

 **PAPA RAZZI TRATTORIA BAR**

to

 **NHC**



a subsidiary of

 **TRIARC**

has acquired

 **RTM RESTAURANT GROUP**



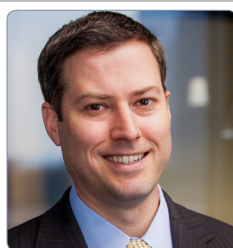
has been acquired by

 **BUNKER HILL CAPITAL**

and

 **PATINA RESTAURANT GROUP**

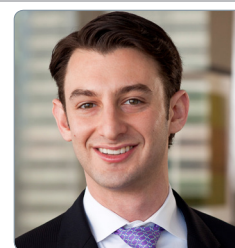
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About TM Capital

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 41 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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