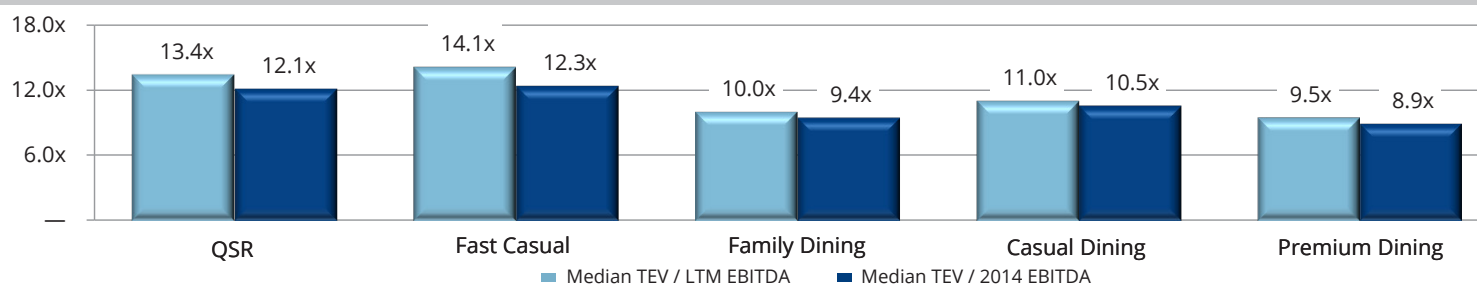




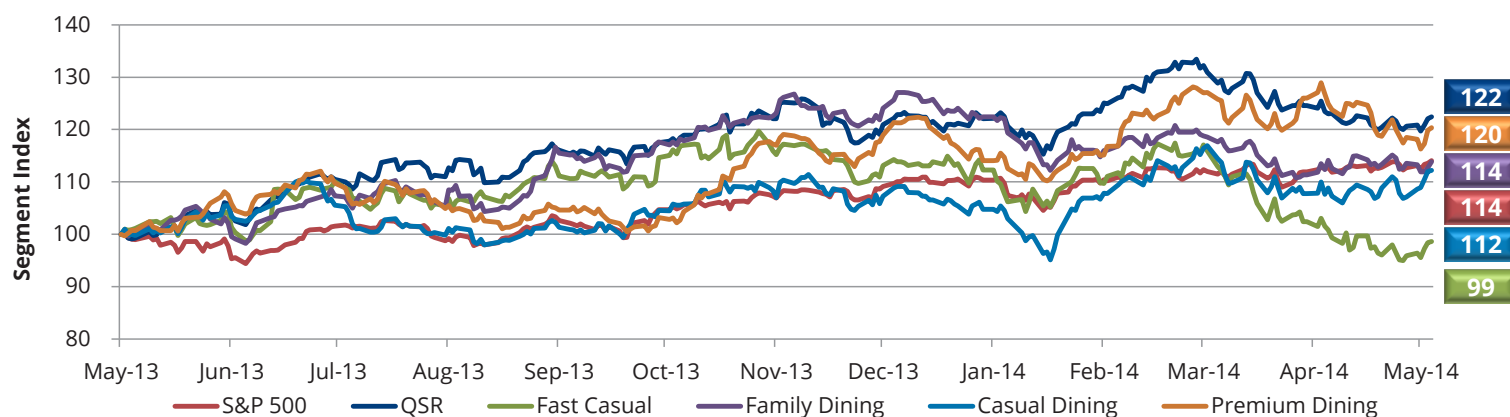
Restaurant Industry Commentary

The restaurant industry built on positive momentum in April, with Blackbox Intelligence reporting positive same store sales of 0.6%. This marked the second consecutive month of positive comparable sales, as stores continue to rebound from the unseasonably harsh winter months. Limited service restaurant chains remain atop the valuation spectrum as investors are bullish on fresh, high growth brands and those offering customers a unique blend of value and convenience. April and early May brought an abundance of M&A activity, led by a significant private equity interest in the casual dining category. **Argonne Capital's** and **Fortress Investment Group's** announced acquisition of **On the Border**, **Sentinel Capital's** and **Tri-Artisan Capital's** announced acquisition of **TGI Friday's** and **Darden's** announced divestiture of **Red Lobster** to **Golden Gate Capital** headlined the pack.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



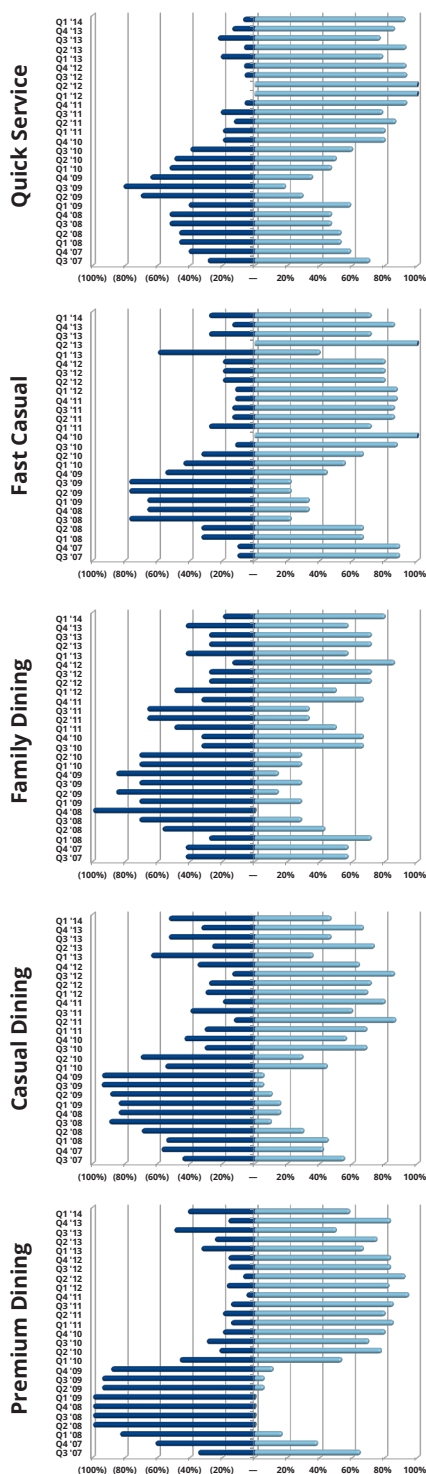
Recent Restaurant M&A Activity

(\$ in millions)							
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
05/27/2014A	16 Noodles & Company Restaurants	Noodles & Company (NasdaqGS:NDLS)	NA	NA	/	NA	Fast Casual
05/20/2014A	TGI Friday's	Sentinel Capital Partners; Tri-Artisan Capital	NA	NA	/	NA	Casual
05/16/2014A	Red Lobster, Inc.	Golden Gate Capital	NA	NA	/	NA	Casual
04/24/2014A	OTB Acquisition, LLC	Fortress Investment Group; Argonne Capital	NA	NA	/	NA	Casual
04/01/2014A	The Wendy's Company, 25 Wendy's Locations	J.A. International Investments	NA	NA	/	NA	QSR
03/19/2014A	Mexican Restaurants, Inc.	Williston Holding Company (OTC:WHCA)	\$16.0	\$3.4	/	4.7x	Casual
01/24/2014A	Checkers Drive-In Restaurants, Inc.	Sentinel Capital Partners	NA	NA	/	NA	QSR
11/21/2013A	The Wendy's Company, 38 Wendy's Locations	Richard Holland	NA	NA	/	NA	QSR
05/27/2014	Morgan's Foods, Inc. (OTCPK:MRFD)	Apex Restaurant Management	\$49.2	NA	/	NA	QSR
05/09/2014	Patina Restaurant Group, LLC	Delaware North Companies	NA	NA	/	NA	QSR
04/11/2014	14 KFC Locations	JAHA Chicken, Inc.	NA	NA	/	NA	QSR
04/01/2014	Ricksim, Inc., 21 Taco Bell Restaurants	K-MAC Enterprises	NA	NA	/	NA	QSR
03/24/2014	The Wendy's Company, 39 Wendy's Locations	Cotti Foods Corporation	NA	NA	/	NA	QSR
03/24/2014	The Wendy's Company, 25 Wendy's Locations	JAAB Restaurant Holdings	NA	NA	/	NA	QSR
02/03/2014	Dallas Spoon	Chanticleer Holdings	NA	NA	/	NA	Premium

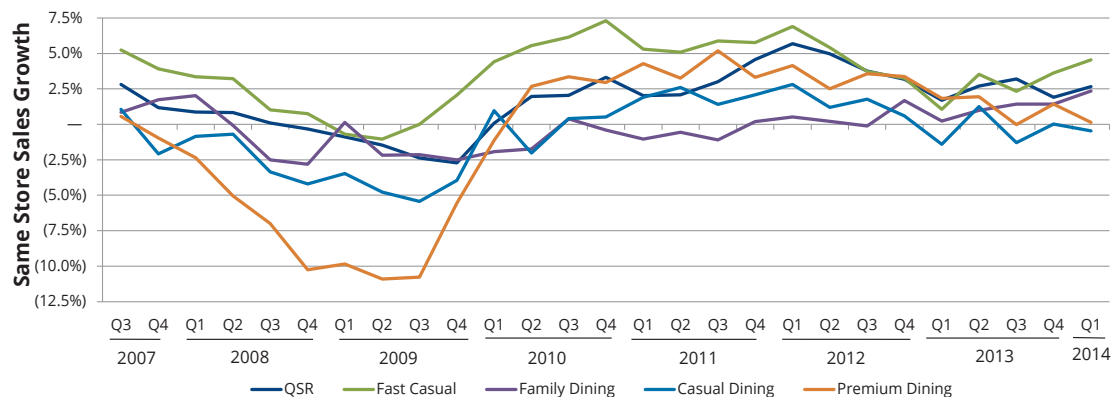
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

Quarterly Gainers & Losers by Price Point

Decliners / Gainers



Same Store Sales by Price Point







Recent TM Capital Restaurant Experience




 **oldco**
a portfolio company of

has acquired
 **FAST FOOD ENTERPRISES #2, LLP**
A FRANCHISE OF THE BURGER KING CORPORATION


has acquired




a portfolio company of



has sold
  
to



has sold

to



a subsidiary of

has acquired



has been acquired by

and


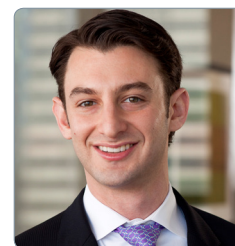
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About TM Capital

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 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.

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