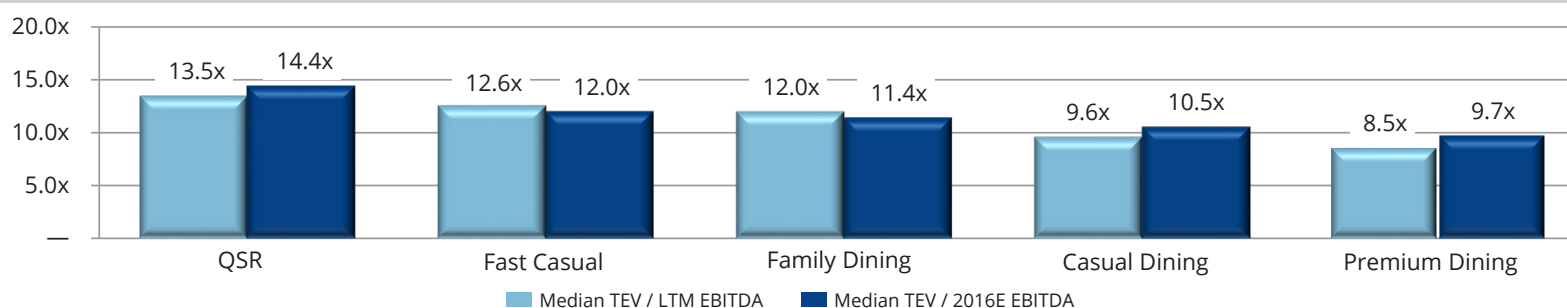




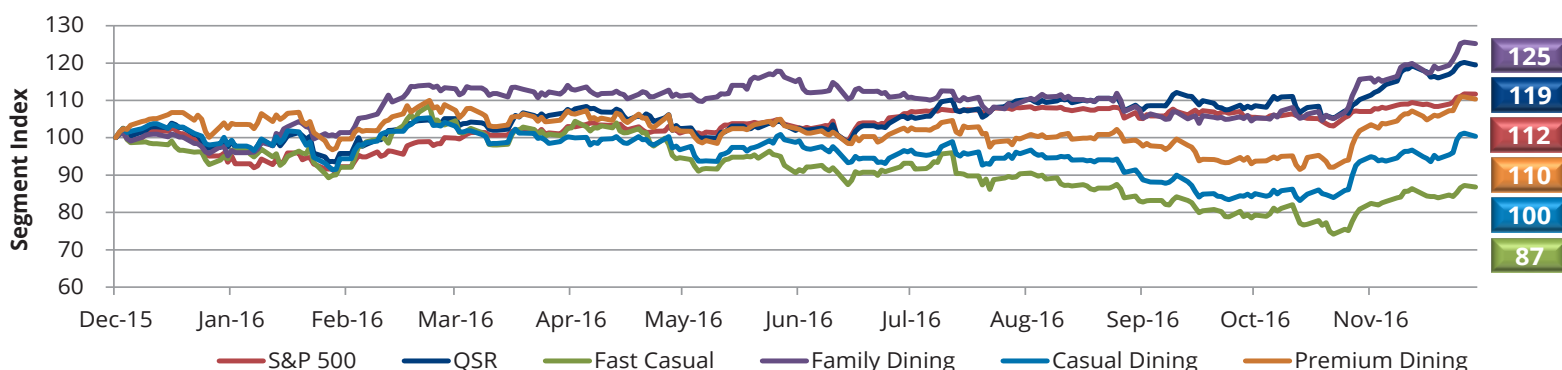
Restaurant Industry Commentary

TM Capital's restaurant indices, with the exception of Fast Casual, traded above the S&P 500 over the last 30 days. The positive market performance comes despite another month of negative same-store sales and same-store traffic (1.3% and 3.3%, respectively, according to Black Box Intelligence). We attribute much of the decline in sales and traffic to the fact that unit growth throughout the industry has continued to "dilute the same-store pie." While rising wages and continued decreases in unemployment will help to close the gap, increasing energy prices may serve as a counterweight. M&A activity remained strong in December. Notable transactions included **Ark Restaurant Group's (NasdaqGM:ARKR)** acquisition of Alabama restaurant operator **Original Oyster House, Inc.**; **Panda Restaurant Group's** growth investment in fast-casual New York restaurant chain **Just Salad**; and **Stripes Group's** partnership with Denver-based breakfast chain **Snooze**.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)

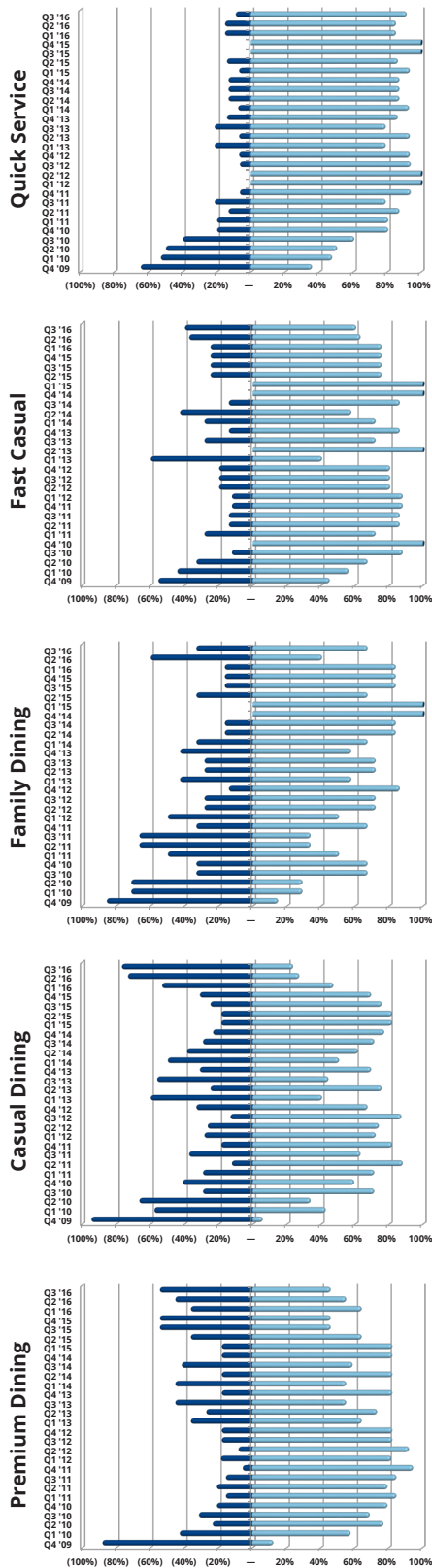


Recent Restaurant M&A Activity

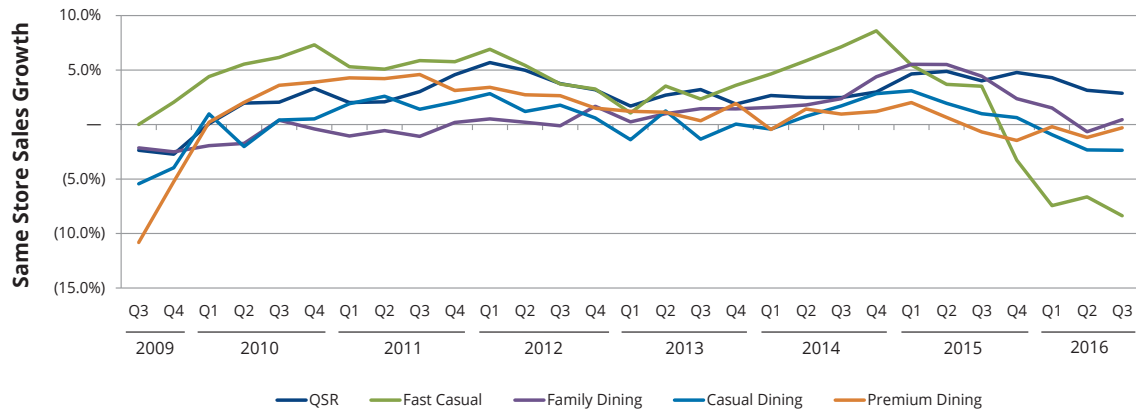
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
12/05/2016	Snooze, LLC	Stripes Group	NA	NA	/	NA	Casual
12/01/2016	7 Burger King Restaurants In Ohio	Carrols Restaurant Group, Inc. (NasdaqGS:TAST)	NA	NA	/	NA	QSR
11/30/2016	The BrewZaa	Mikey's Late Night Slice	NA	NA	/	NA	Casual
11/29/2016	La Duperie	MTY Food Group Inc. (TSX:MTY)	NA	NA	/	NA	Casual
11/21/2016	Growth Investment in Just Salad	Panda Restaurant Group, Inc.	NA	NA	/	NA	Fast Casual
11/17/2016	Series D Financing in Honeygrow	Miller Investments of Philadelphia	NA	NA	/	NA	Fast Casual
11/17/2016	Klondike Kate's Restaurant & Bar	Martuscelli Restaurant Group, Inc.	NA	NA	/	NA	Casual
11/16/2016	Equity Investment in MOD Pizza	Fidelity Management & PWP Growth Equity	NA	NA	/	NA	Fast Casual
11/16/2016A	Original Oyster House, Inc.	Ark Restaurants Corp. (NasdaqGM:ARKR)	NA	NA	/	NA	Family
11/16/2016	17 Burger King Restaurants in Pennsylvania	Carrols Restaurant Group, Inc. (NasdaqGS:TAST)	NA	NA	/	NA	QSR

Quarterly Gainers & Losers by Price Point

Decliners / Gainers



Same Store Sales by Price Point



Selected TM Capital Restaurant Experience

 STARBUCKS® has sold the exclusive rights to operate Starbucks Puerto Rico to Baristas Del Caribe, LLC an affiliate of Empresas Fonalledas Inc.	 a portfolio company of has sold a portfolio of restaurants to Burger Gulf Coast, LLC	 a portfolio company of has acquired FAST FOOD ENTERPRISES #2, LLC <small>A FRANCHISE OF THE BURGER KING CORPORATION</small>	 has acquired a portfolio company of EQUICORP Partners.
 has been acquired by BUNKER HILL CAPITAL and 	 has sold to TAVISTOCK GROUP	 has sold to 	 a subsidiary of TRIARC has acquired

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