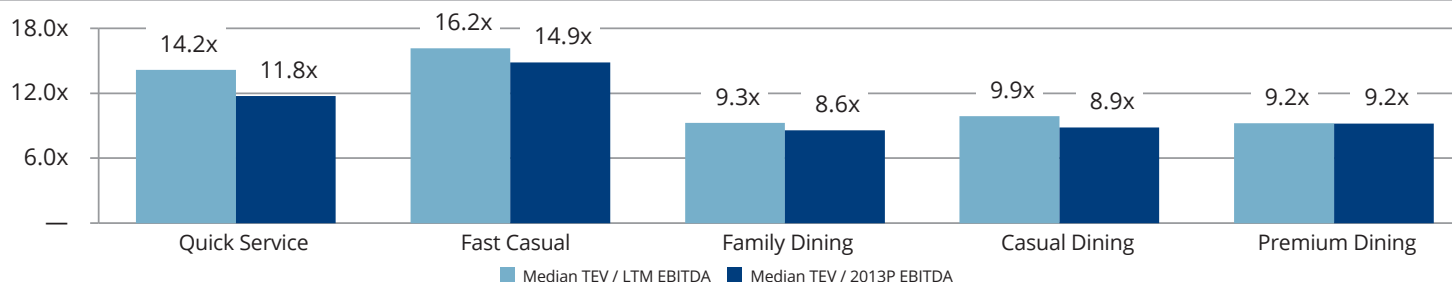


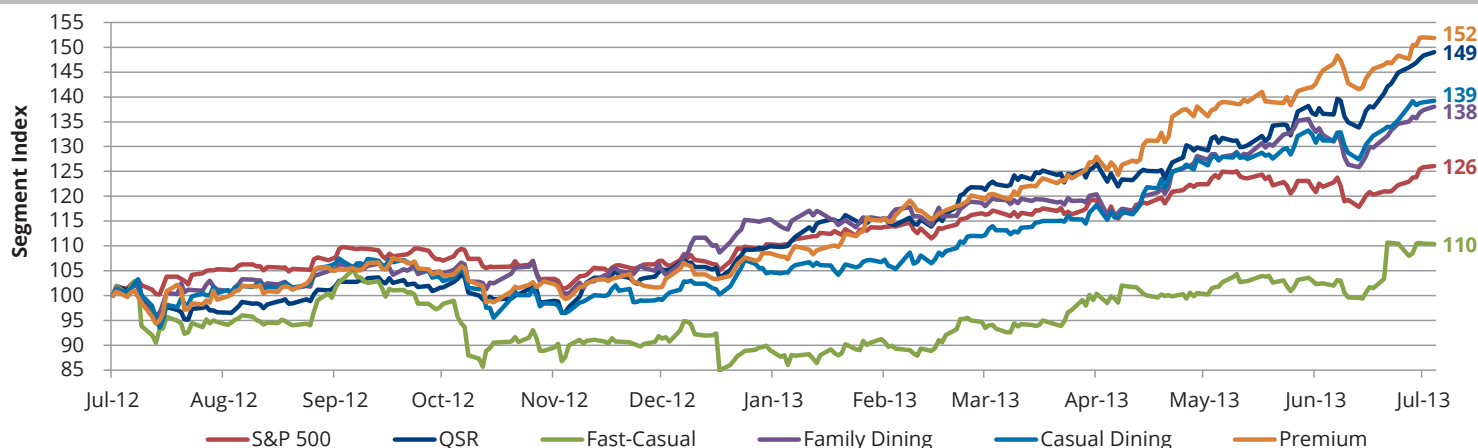
Restaurant Industry Commentary

For the second quarter of 2013, each segment of the TM Capital Restaurant Index achieved positive same store sales growth. The big winner was the Fast Casual segment, which grew 3.5% on a weighted sales basis against a tough comparable period last year. The Casual Dining segment recovered from a Q1 downturn with a modest 1.0% same store sales increase in Q2. However, July saw flat to slightly positive results for QSR and Fast Casual restaurants, and a return to declining sales for Casual and Family Dining concepts, all impacted by the timing of the July 4th holiday and unseasonably wet weather in the Southeast and Mid-Atlantic. Notably, the spread between limited service and full service performance continues to widen as consumers remain focused on value and convenience. Unemployment for July tracked down to its lowest level since 2008 and Americans continue to indicate a willingness to spend on food outside the home – all boding well for improvement in the months ahead. Public market valuations remained relatively flat since our last monthly report, in line with the slight pull-back in the broader S&P 500. On the M&A front, activity heated up in the franchise space, with noteworthy transactions announced within the **DineEquity**, **Wendy's** and **Bloomin' Brands** systems.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



Recent Restaurant M&A Activity

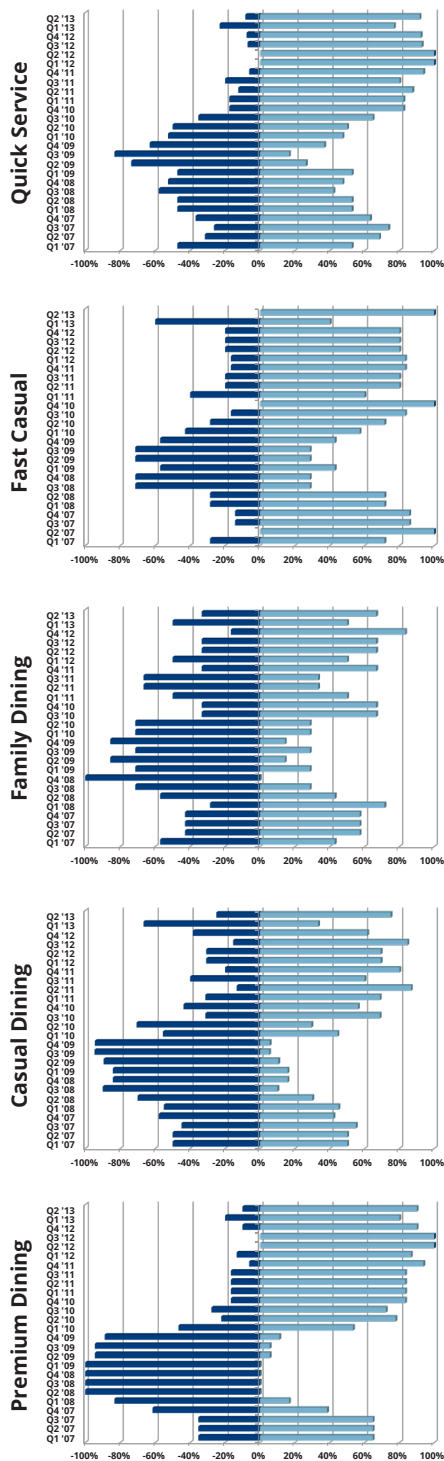
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple	Industry Segment
08/13/2013	BB St. Louis (30-Unit Wendy's Franchisee)	The Wendy's Company	NA	NA / NA	QSR
08/05/2013A	T-Bird Nevada, LLC (56-Unit Outback Franchisee)	Bloomin' Brands, Inc.	NA	NA / 8.5x	Premium
07/31/2013	Gator Apple, LLC (38-Unit Applebee Franchisee)	Doherty Enterprises, Inc.	NA	NA / NA	Casual
07/22/2013	Miller's Ale House, Inc.	Roark Capital Group	NA	NA / NA	Casual
06/18/2013	The Johnny Rockets Group, Inc.	Sun Capital Partners, Inc.	\$300.0	NA / NA	Casual
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, LLC	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

(\$ in millions)

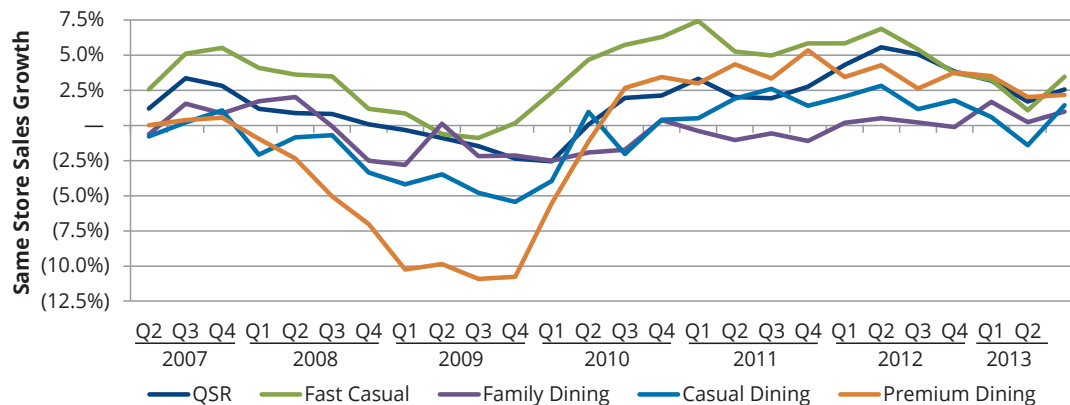
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

Quarterly Gainers & Losers by Price Point

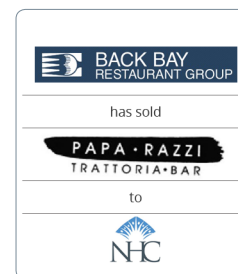
Decliners / Gainers



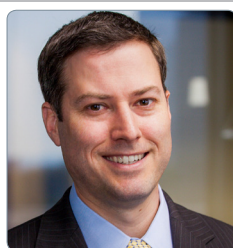
Same Store Sales by Price Point



Recent TM Capital Restaurant Experience



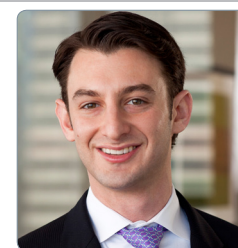
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About TM Capital

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.

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