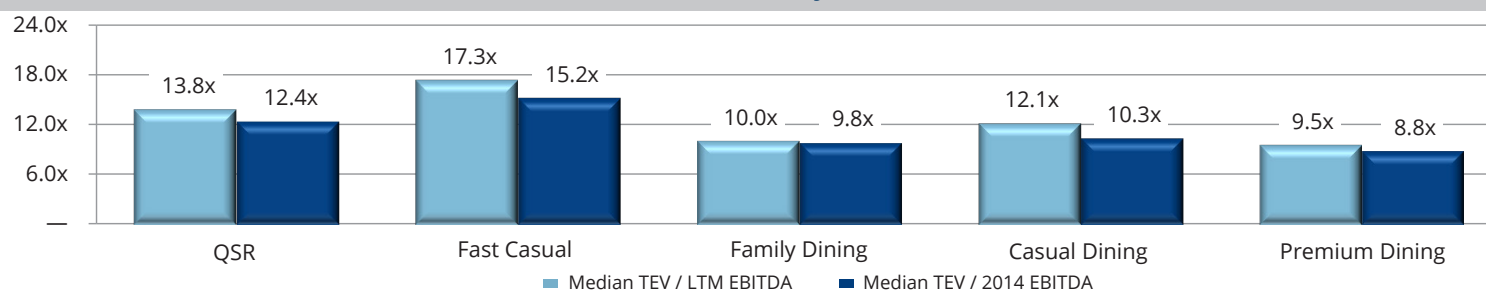




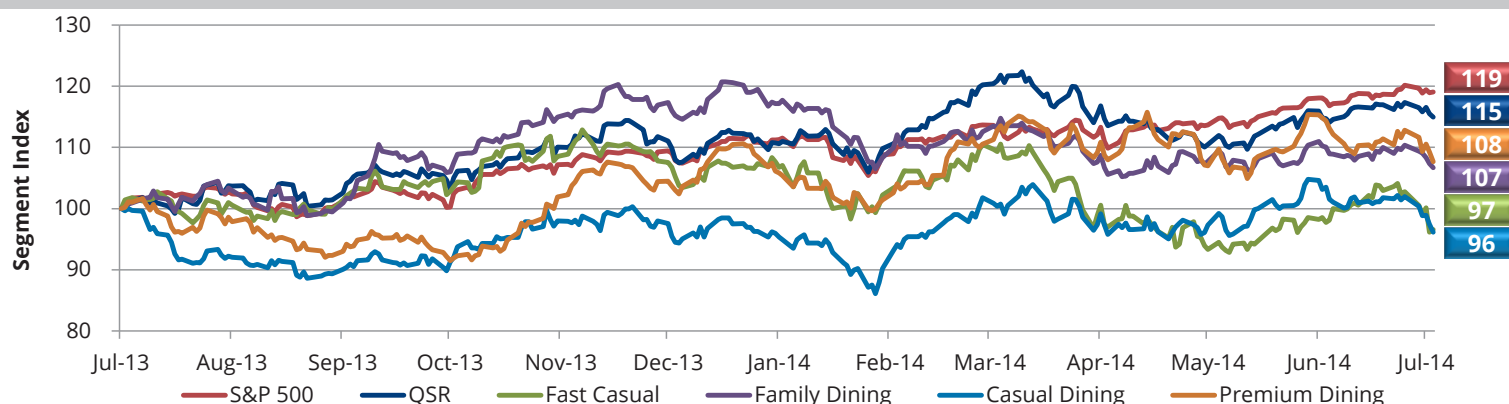
Restaurant Industry Commentary

Restaurant performance softened in June, with Blackbox Intelligence reporting slight decreases in comparable sales and restaurant traffic of 0.1% and 1.7%, respectively. Despite last month's dip in performance, the industry at large produced modest comparable sales improvement of 0.3% in the second quarter. Operators across the industry have tempered their optimism towards the balance of the year, as performance has not yet rebounded as aggressively as expected in the wake of the uncharacteristically slow winter months. Despite underwhelming performance across the industry, there remain pockets of strength—for instance, **Chipotle** reporting near record same store sales increases for the second quarter as a result of traffic growth compounded with a price hike averaging 6.0% across its menu. Furthermore, the fast casual sector as a whole remains a favorite to the public markets despite modest recent declines at **Noodles & Company**, **Potbelly** and **Zoe's Kitchen**. On the transactional front, **Cerberus Finance's** acquisition of **S.B. Restaurant Company (Elephant Bar)** and **NPC International's** purchase of 56 Wendy's locations from **Carlisle Corporation** headlined a relatively quiet month of M&A; while the public markets ready **El Pollo Loco's** anticipated IPO.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



Recent Restaurant M&A Activity

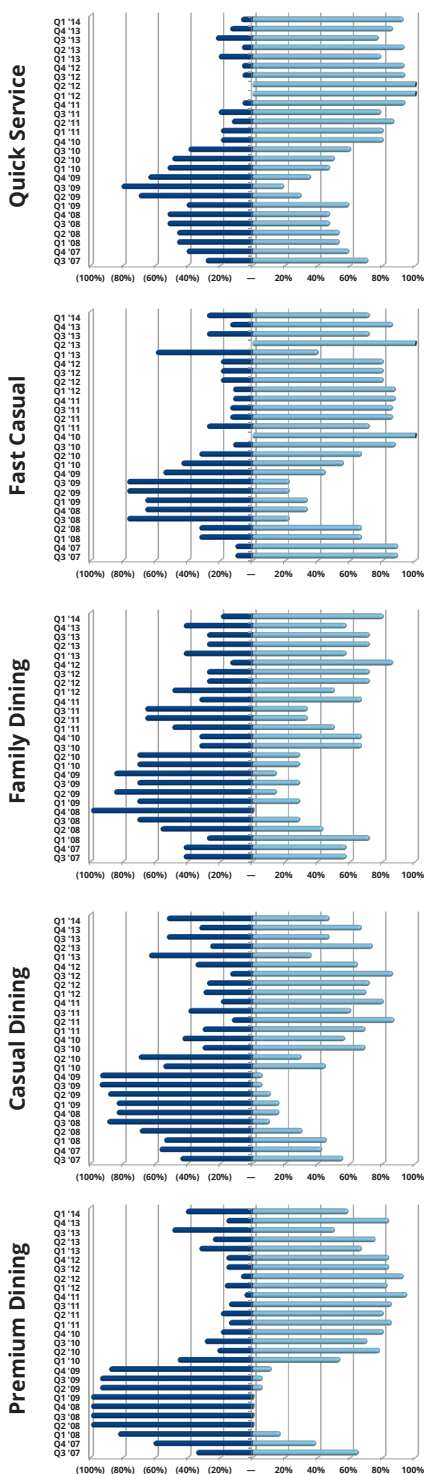
(\$ in millions)

Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
06/20/2014A	S.B. Restaurant Company (Elephant Bar)	Cerberus Business Finance	NA	NA	/	NA	Casual
06/13/2014A	Carlisle Corporation, 56 Wendy's Restaurants	NPC International Inc.	NA	NA	/	NA	QSR
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	\$2,113.0	\$229.7	/	9.2x	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
07/03/2014	Ker, Inc.	Third Lake Capital	NA	NA	/	NA	Casual
06/03/2014	OTB Acquisition, LLC	Fortress Investment Group; Argonne Capital	NA	NA	/	NA	Casual
05/27/2014	Flynn Restaurant Group LLC	Teachers' Private Capital	NA	NA	/	NA	Casual
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

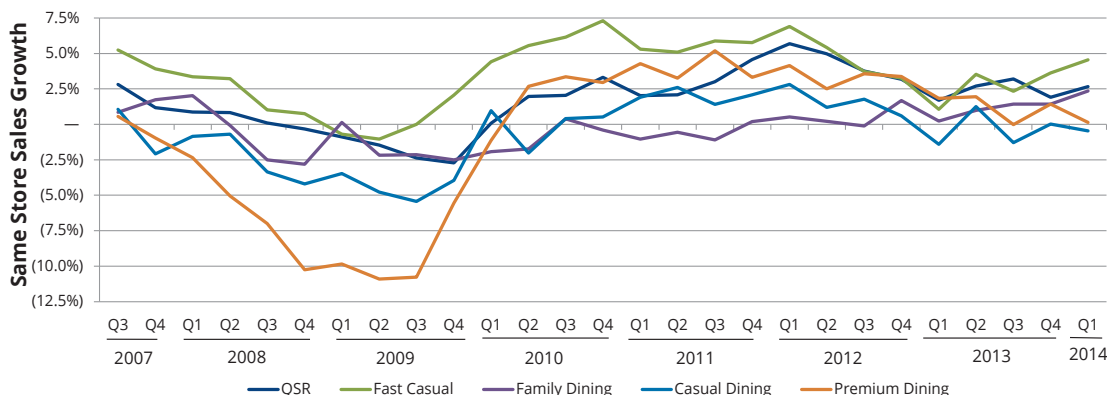
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

Quarterly Gainers & Losers by Price Point

Decliners / Gainers



Same Store Sales by Price Point



Recent TM Capital Restaurant Experience

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, **Goats**, **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

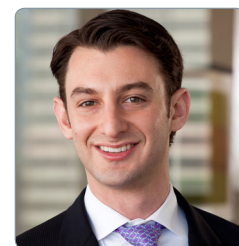
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About TM Capital

Celebrating our 25th Anniversary in 2014, 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. For more information, visit www.tmcapital.com.

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