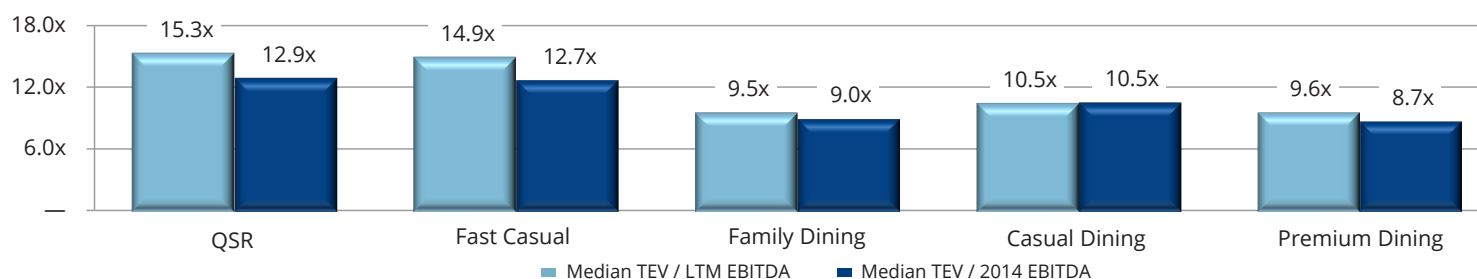




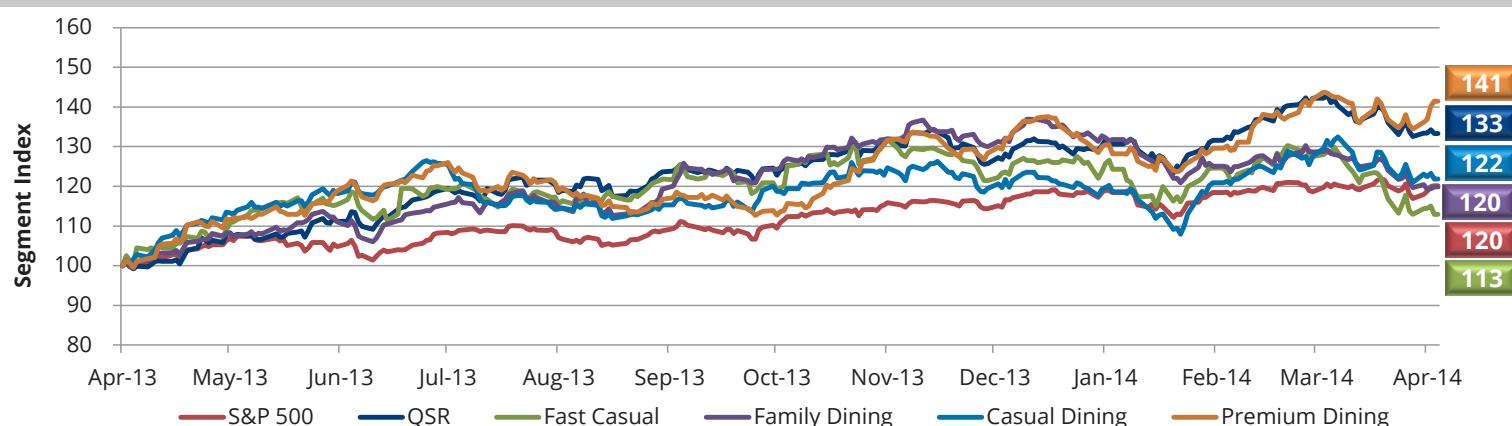
Restaurant Industry Commentary

March brought signs of resurgence for the restaurant industry. Operators achieved their first month of positive comparable sales since November 2013, with Blackbox Intelligence reporting same store sales growth of 0.7%. This reversal of a recently discouraging sales trend has reinforced operators' optimism towards 2014. It also substantiates the industry's attribution of soft performance in the first two months to unseasonable weather around the country. Limited service chains continue to lead the pack in terms of performance and from a capital markets perspective. Quick Service and Fast Casual chains maintain lofty valuations, despite a slight pullback of valuation leaders **Chipotle** and **Noodles & Company**. M&A activity was extremely active in March, with numerous transactions completed across the franchisee space – especially within the currently hot **Wendy's** and **YUM!** brands.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



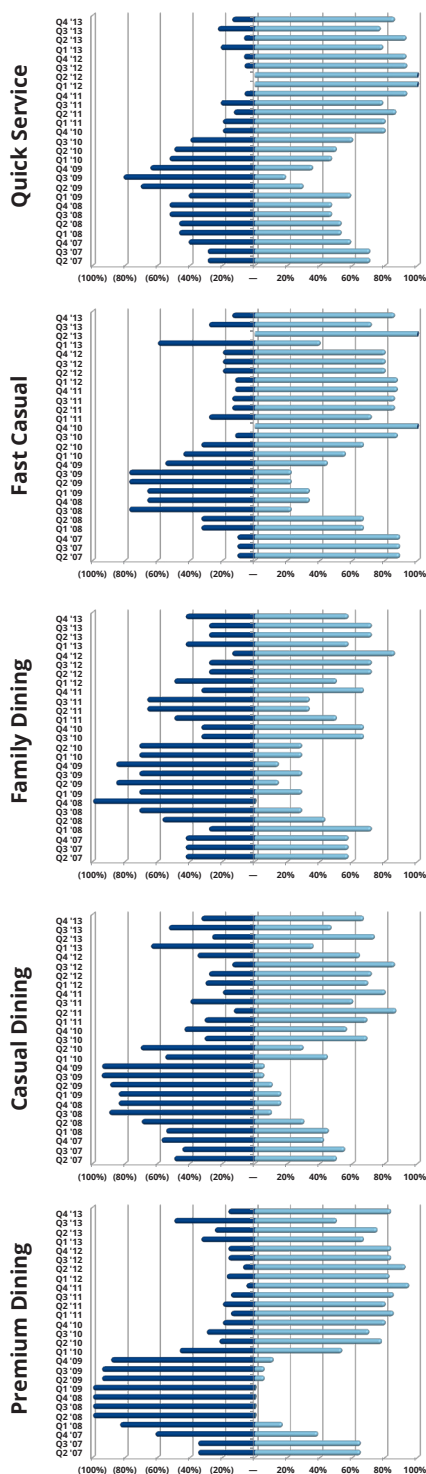
Recent Restaurant M&A Activity

(\$ in millions)

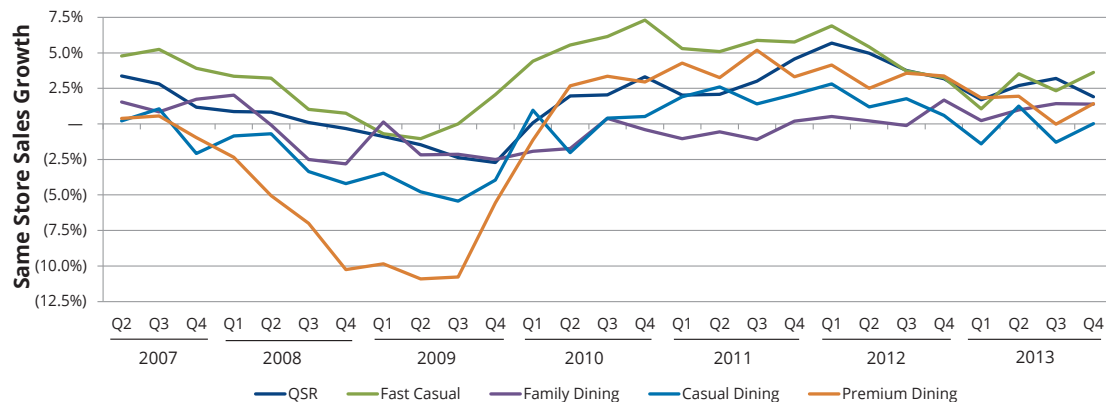
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
4/24/2014A	On The Border Cafes, Inc.	Argonne Capital Group & Fortress Inv. Group	NA	NA	/	NA	Casual
4/1/2014A	The Wendy's Company, 25 Wendy's Locations	J.A. International Investments	NA	NA	/	NA	QSR
3/31/2014A	Morgan's Foods, Inc. (OTCPK:MRFD)	Apex Restaurant Management	\$49.2	NA	/	NA	QSR
3/19/2014A	Mexican Restaurants, Inc.	Williston Holding Company (OTC:WHCA)	\$16.0	\$3.40	/	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
04/11/2014	14 KFC Locations	KFC Corporation	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
02/08/2014	Patina Restaurant Group, LLC	Delaware North Companies	NA	NA	/	NA	Premium
02/03/2014	Dallas Spoon	Chanticleer Holdings	NA	NA	/	NA	Premium
02/11/2014	CEC Entertainment (Chuck E Cheese)	Apollo Global Management	\$1,295.5	\$170.5	7.6x		Family
01/09/2014	PJ United	TPG Growth	NA	NA	/	NA	QSR

Quarterly Gainers & Losers by Price Point

Decliners / Gainers



Same Store Sales by Price Point



Recent TM Capital Restaurant Experience

Coldco
a portfolio company of
 PNC RIVERARCH CAPITAL
has acquired
 FAST FOOD ENTERPRISES #2, LLC
A FRANCHISE OF THE BURGER KING CORPORATION

PNC RIVERARCH CAPITAL
has acquired
 Coldco
a portfolio company of
 EQUICORP Partners

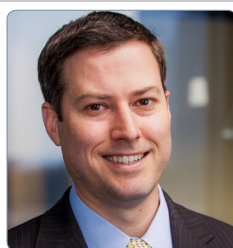
BACK BAY RESTAURANT GROUP
has sold
 Atlantic Fish, Joe's, and Coach Grill
to
 TAVISTOCK GROUP

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
 PATINA RESTAURANT GROUP

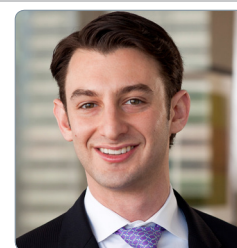
TM Capital's Restaurant Practice



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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 39 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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