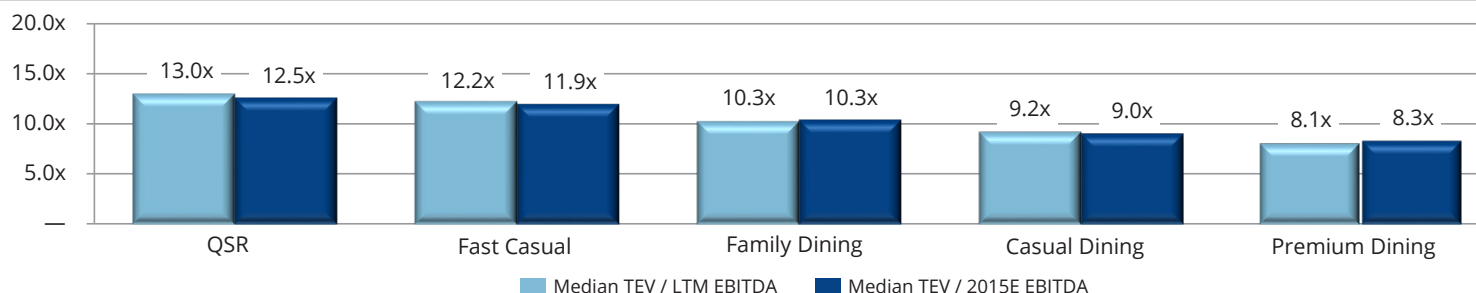




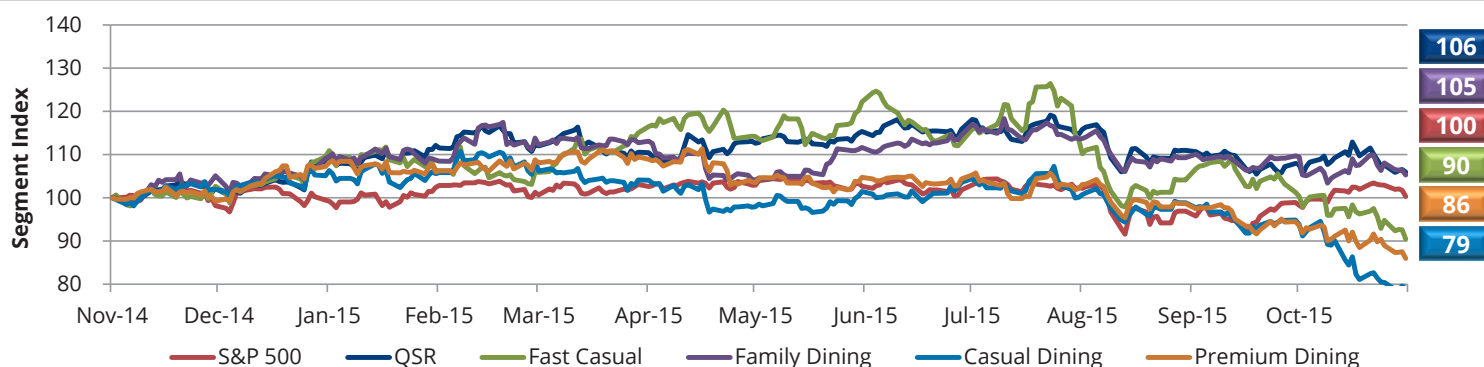
## Restaurant Industry Commentary

The last quarter of 2015 started slow, with November same store sales declining—the first negative same store sales month in six quarters. Moreover, the change in month to month sales from September to October represented the worst decline since June 2013. Public market investors have recognized this, as restaurant stocks continue their slide—both on an absolute basis and in comparison to the S&P 500. QSR stocks continue to trade at a premium to the rest of the sector, with fast casual not far behind. Despite uncertainty in the public markets, M&A remained moderately strong. The most surprising transaction of the month was certainly the **Urban Outfitters Inc.** (NasdaqGS:URBN) acquisition of northeast based **Vetri Family of Restaurants**—causing the company's stock to drop 20% before recovering a few days later. Additionally, **York Capital Management** acquired **Houlihan's Restaurants, Inc.** and California-based **Rubio's Restaurants, Inc.** acquired a portfolio of 8 **Lime Fresh Mexican Grill's** from **Ruby Tuesday, Inc.** (NYSE:RT).

## Current Restaurant Valuations by Price Point (TEV / EBITDA)



## Public Market Performance (Latest Twelve Months)



## Recent Restaurant M&A Activity

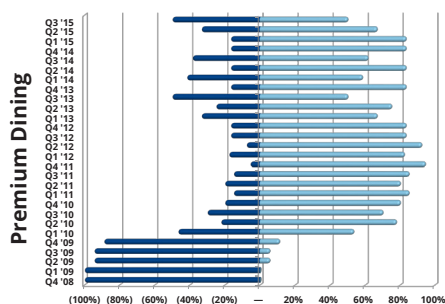
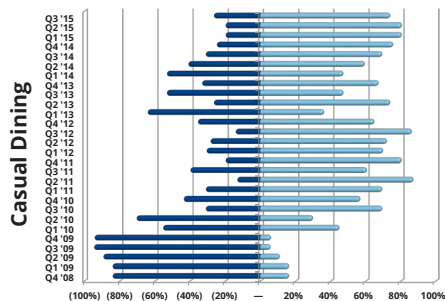
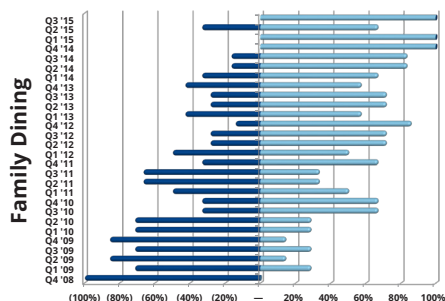
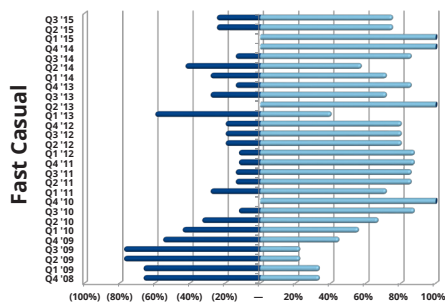
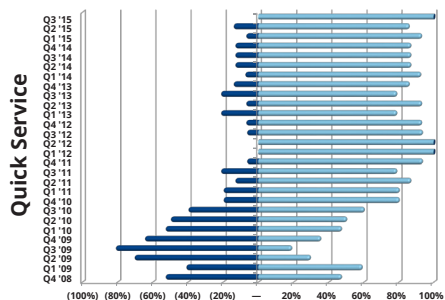
(\$ in millions)

Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
11/16/2015A	Vetri Family of Restaurants	Urban Outfitters Inc. (NasdaqGS:URBN)	NA	NA	/	NA	Casual
11/12/2015	The Waterfront Market & Cafe	Alexandria Restaurant Partners, LLC	NA	NA	/	NA	Casual
11/11/2015A	Olga's Kitchen, Inc.	SOK Venture LLC	NA	NA	/	NA	Casual
11/9/2015A	Houlihan's Restaurants, Inc.	York Capital Management	NA	NA	/	NA	Casual
11/5/2015A	Ruby Tuesday, Inc., Lime Fresh Mexican Grill	Rubio's Restaurants, Inc.	NA	NA	/	NA	Fast Casual
11/03/2015	Golden Gate Bread, LLC, 2 Panera Bakery Cafes	Flynn Restaurant Group LLC	NA	NA	/	NA	Fast Casual
11/02/2015	Golden Gate Bread, LLC, 45 Panera Bakery Cafes	Flynn Restaurant Group LLC	NA	NA	/	NA	Fast Casual
10/30/2015A	Intelligentsia Coffee & Tea, Inc.	Peet's Coffee & Tea, Inc.	NA	NA	/	NA	QSR
10/29/2015	Nobu Hospitality LLC	Crown Resorts Limited (ASX:CWN)	\$500.0	NA	/	NA	Premium
10/20/2015A	Yum! Brands, Inc. China Operations	Yum! China	NA	NA	/	NA	QSR

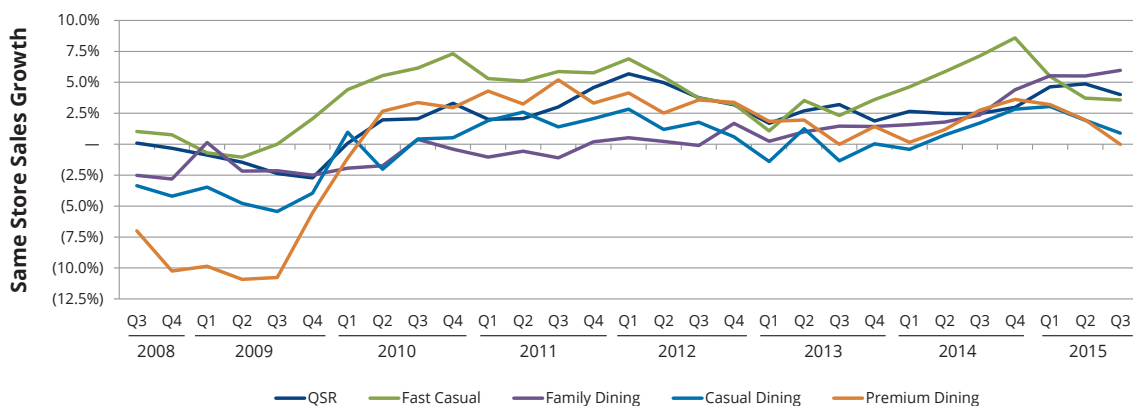
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

## Quarterly Gainers & Losers by Price Point

### Decliners / Gainers



## Same Store Sales by Price Point



## 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.**

**BURGER KING Coldco**  
a portfolio company of  
**PNC RIVERARCH CAPITAL**  
has sold a portfolio of restaurants to  
**Burger Gulf Coast, LLC**

**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.**

**Smith & Wollensky**  
has been acquired by  
**BUNKER HILL CAPITAL**  
and  
**BRG PATINA RESTAURANT GROUP**

**BACK BAY RESTAURANT GROUP**  
has sold  
**Atlantic Fish MARKET**  
**AMERICAN BISTRO**  
**Al's Louie's**  
**Coach Grill**  
to  
**TAVISTOCK GROUP**

**BACK BAY RESTAURANT GROUP**  
has sold  
**PAPA RAZZI TRATTORIA BAR**  
to  
**NHC**

**Arbuz**  
a subsidiary of  
**TRIARC**  
has acquired  
**RTM RESTAURANT GROUP**

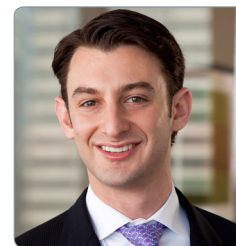
## TM Capital's Restaurant Contacts



**James S. Grien**  
Managing Director  
jgrien@tmcapital.com  
404-995-6235



**Craig M. Gibson**  
Managing Director  
cgibson@tmcapital.com  
617-259-2204



**Philip S. Krieger**  
Vice President  
pkrieger@tmcapital.com  
404-995-6242

**New York**  
641 Lexington Avenue  
30th Floor  
New York, NY 10022  
Tel: 212.809.1360

**Boston**  
201 Washington Street  
32nd Floor  
Boston, MA 02108  
Tel: 617.259.2200

**Atlanta**  
3575 Piedmont Road NE  
Suite 1010  
Atlanta, GA 30305  
Tel: 404.995.6230



An M&A International Inc. firm **M&A**

[www.tmcapital.com](http://www.tmcapital.com)