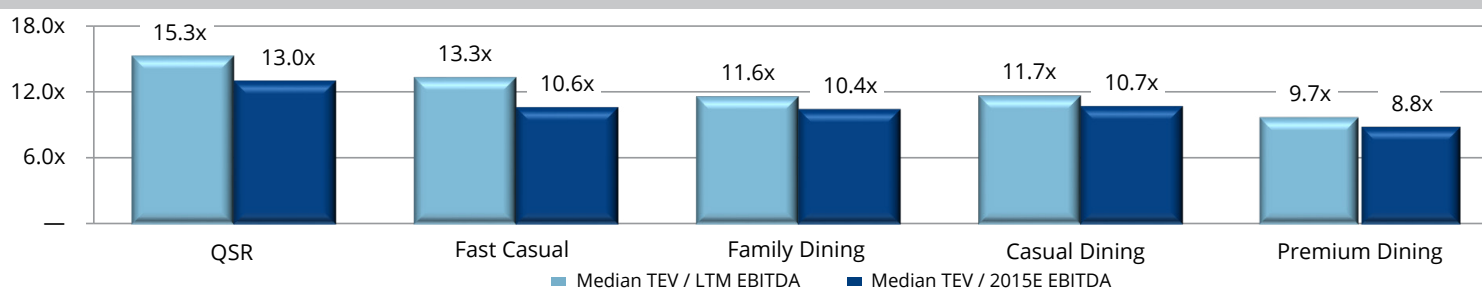




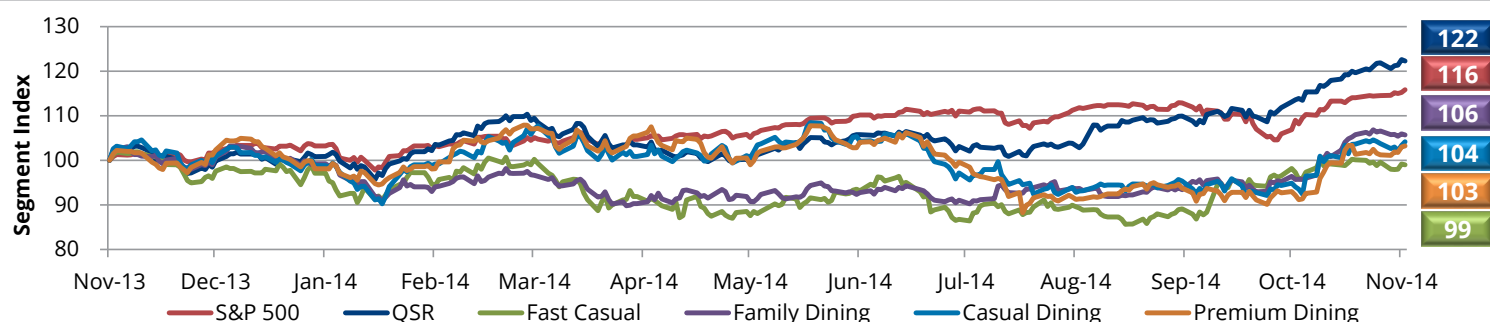
## Restaurant Industry Commentary

The industry maintained its positive momentum in October, with Blackbox Intelligence reporting comparable sales growth of 2.8% and a same restaurant traffic increase of 0.4%. While October was the fourth consecutive month of positive comparable sales, it marked the first month of positive traffic comparables in almost three years. Performance continues to improve as a confluence of macroeconomic factors, including a rebounding labor market and declining energy prices, augments operators' efforts to drive repeat traffic through innovative menu items and brand loyalty programs. M&A activity in October and early November was headlined by **JAB Holding's** and **BDT Capital's** \$365 million acquisition of 880-unit bagel bakery **Einstein's**. Also of note, **Landry's** acquired **Mitchell's Fish Market** from **Ruth's Hospitality** for a mere \$10 million, which is a significant discount from the \$92 million acquisition price Ruth's paid in 2007. Public market activity remains hot, with **Habit Burger Grill**, a **KarpReilly** portfolio company, raising \$90 million through its initial public offering—seeing its share price more than double in its first day of trading. The QSR and Fast Casual categories remain atop the valuation spectrum, with EV / TTM EBITDA multiples of 15.3x and 13.3x, respectively.

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



## Public Market Performance (Latest Twelve Months)



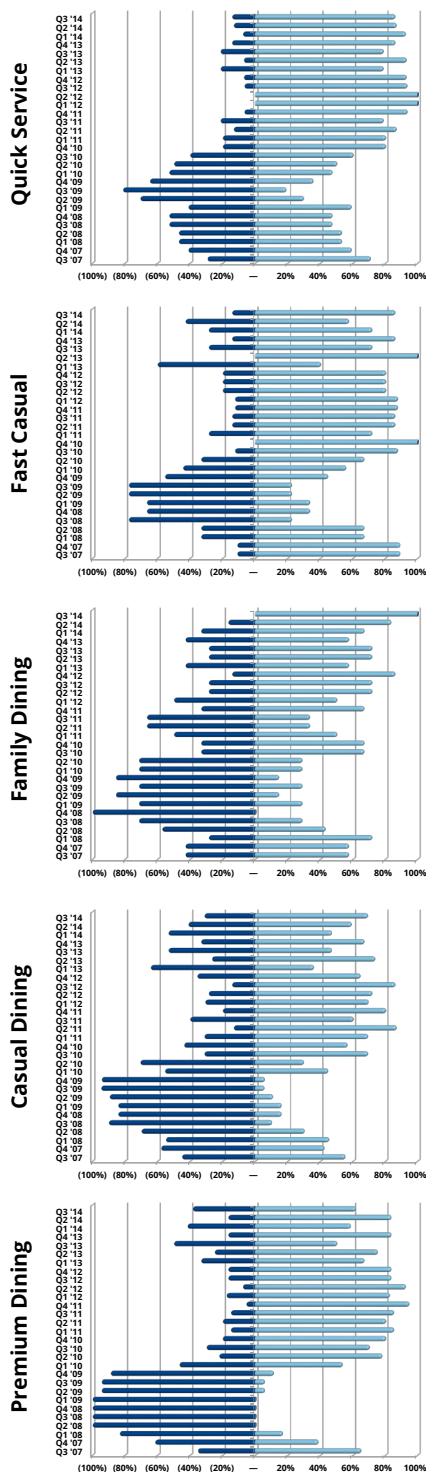
## Recent Restaurant M&A Activity

(\$ in millions)

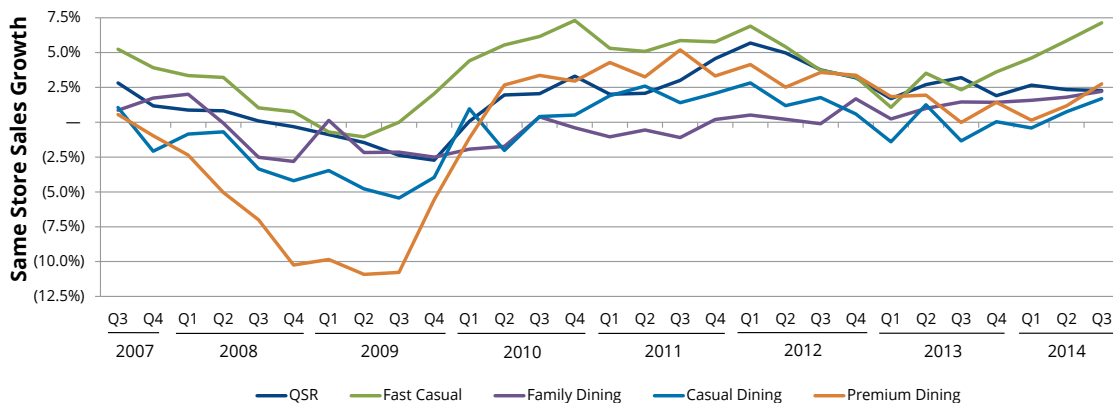
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple			Industry Segment
11/17/2014A	Mitchell's Fish Market	Landry's Inc.	\$10.0	NA	/	NA	Premium
11/04/2014	Einstein Noah Restaurant Group	JAB Holding; BDT Capital	\$365.0	\$35.44	/	10.3x	Fast Casual
10/31/2014	25 TGI Friday Restaurants in Texas and Colorado	MarLu LC, Inc.	NA	NA	/	NA	Casual
10/16/2014	Peter Piper, Inc.	CEC Entertainment	NA	NA	/	NA	Family
10/08/2014	30 Burger King Restaurants in North Carolina	Carrols Restaurant Group, Inc. (NasdaqGS:TAST)	NA	NA	/	NA	QSR
09/18/2014	39 Burger King Restaurants in Ohio	GPS Hospitality	NA	NA	/	NA	QSR
08/26/2014A	Tim Hortons Inc. (TSX:THI)	Burger King Worldwide, Inc. (NYSE:BKW)	\$12,046.0	\$692.3	/	17.4x	QSR
08/25/2014	Rusty Taco	Buffalo Wild Wings Inc. (NasdaqGS:BWLD)	NA	NA	/	NA	Fast Casual
08/21/2014	HDOS Enterprises	Global Franchise Group	NA	NA	/	NA	QSR
08/07/2014A	S.B. Restaurant Company (Elephant Bar)	CM7 Capital Partners, LLC	NA	NA	/	NA	Casual
07/28/2014	Red Lobster, Inc.	Golden Gate Capital	\$2,113.0	\$229.7	/	9.2x	Casual
07/15/2014	TGI Friday's	Sentinel Capital Partners; Tri-Artisan Capital	NA	NA	/	NA	Casual

## Quarterly Gainers & Losers by Price Point

### Decliners / Gainers



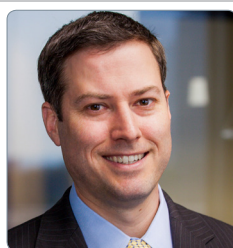
## Same Store Sales by Price Point



## Recent TM Capital Restaurant Experience

 a portfolio company of  has sold a portfolio of restaurants to <b>Burger Gulf Coast, LLC</b>	 a portfolio company of  has acquired  <b>FAST FOOD ENTERPRISES #2, LLC</b> <small>A FRANCHISE OF THE BURGER KING CORPORATION</small>	 has acquired  a portfolio company of <b>EQUICORP Partners</b>	 has been acquired by <b>BUNKER HILL CAPITAL</b> and 
 has sold  to <b>TAVISTOCK GROUP</b>	 has sold <b>PAPA RAZZI TRATTORIA • BAR</b> to 	 a subsidiary of <b>TRIARC</b> has acquired <b>RTM RESTAURANT GROUP</b>	 has paid a 50% common stock dividend

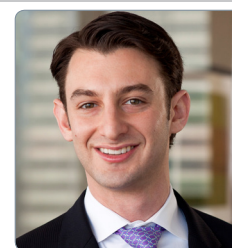
## TM Capital's Restaurant Practice



**Michael P. Locker**  
*Managing Director*  
 mlocker@tmcapital.com  
 404-995-6252



**James S. Grien**  
*President and CEO*  
 jgrien@tmcapital.com  
 404-995-6235



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

## 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 \$16 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](http://www.tmcapital.com).

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

**Boston**  
 200 Clarendon Street  
 25th Floor  
 Boston, MA 02116  
 Tel: 617.259.2200

**Atlanta**  
 15 Piedmont Center NE  
 Suite 1010  
 Atlanta, GA 30305  
 Tel: 404.995.6230

**TM capital**  
 An M&A International Inc. firm   
[www.tmcapital.com](http://www.tmcapital.com)