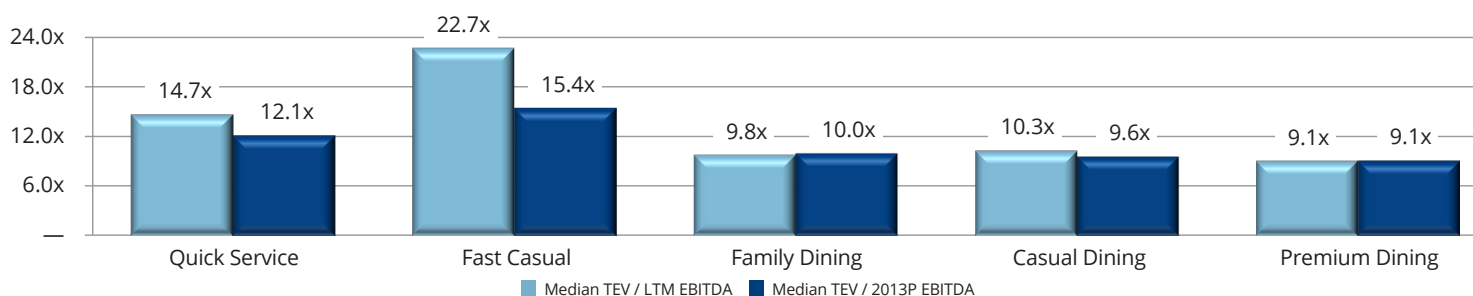


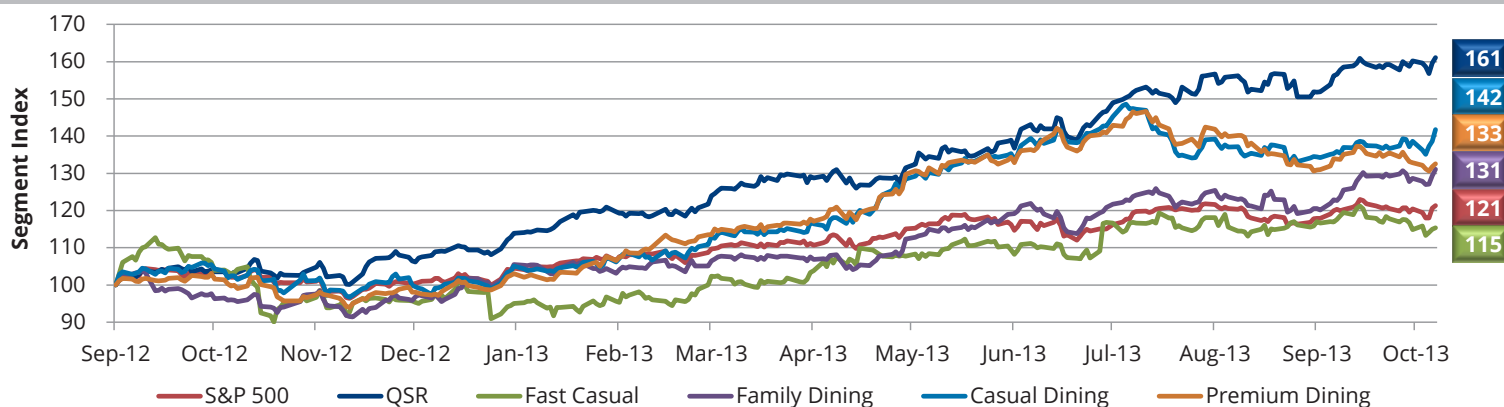
Restaurant Industry Commentary

September marked another quiet month for the restaurant industry, posting barely positive same store sales growth of 0.1%. While the industry regained positive comparable sales for the first time since May, enthusiasm for a sustained recovery remains tempered by shaky consumer sentiment. Restaurant traffic continues to be soft - with Black Box Intelligence reporting a 1.9% decline in September - as recent marketing and rebranding efforts have yet to gain significant traction. Last month saw a brief respite in M&A activity following an active summer, though acquisitive interest in the sector remains high, as evidenced by **Centre Partners'** recently announced acquisition of **Captain D's**. Public market valuations showed slight improvement across the board in September, with a meaningful jump in Fast Casual metrics due to the outlying performance of **Noodles & Company**, which has seen a 28% spike in value since its first day of trading on July 25th. Notably, sandwich shop **Potbelly Corp.** completed its initial public offering late last month and saw its share price more than double in trading afterwards. Potbelly's has since been added to the TM Capital Fast Casual Index and is currently trading at 25.4x LTM EBITDA.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



Recent Restaurant M&A Activity

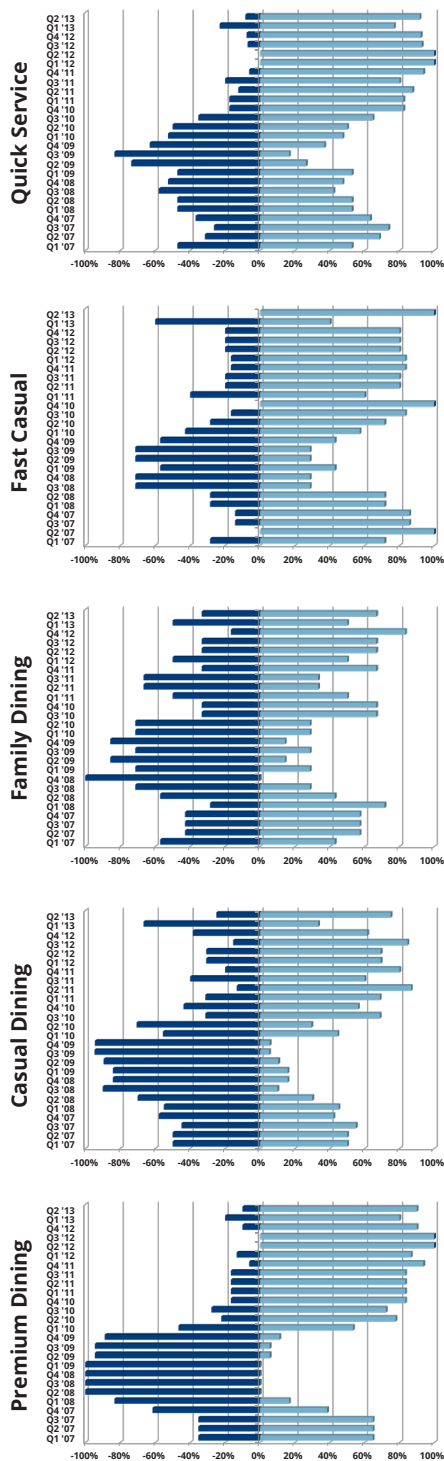
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple	Industry Segment
10/12/2013A	Captain D's	Centre Partners	NA	NA / NA	QSR
08/05/2013A	T-Bird Nevada LLC (56-Unit Outback Franchisee)	Bloomin' Brands, Inc.	NA	NA / 8.5x	Premium
09/12/2013	International Coffee & Tea, LLC	Advent International Corporation	NA	NA / NA	QSR
08/21/2013	Gateway Bells (62-Unit Yum! Brands Franchisee)	Flynn Restaurant Group LLC	NA	NA / NA	QSR
08/19/2013	Kahala Corp.	Serruya Family	NA	NA / NA	QSR
08/14/2013	Fast Food Enterprises #2 (14-Unit BK Franchisee)	Goldco, LLC	NA	NA / NA	QSR
08/13/2013	BB St. Louis (30-Unit Wendy's Franchisee)	The Wendy's Company	NA	NA / NA	QSR
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
07/02/2013	20 YUM! Brands Franchises in Florida	Undisclosed	NA	NA / NA	QSR
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

(\$ in millions)

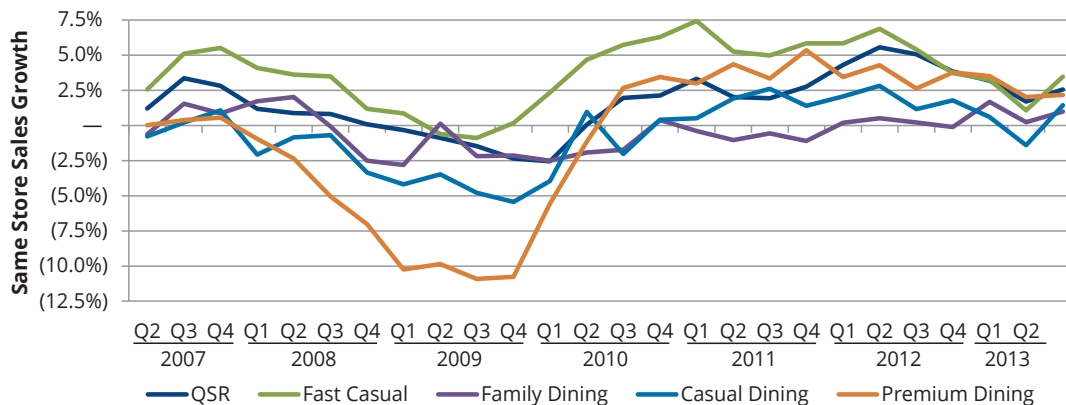
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

Quarterly Gainers & Losers by Price Point

Decliners / Gainers



Same Store Sales by Price Point



Recent TM Capital Restaurant Experience

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

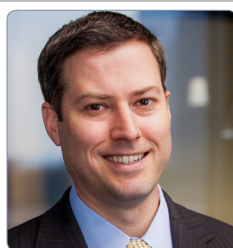
BACK BAY RESTAURANT GROUP
has sold
Atlantic Fish, **Goats**, **Coach Grill**
to
TAVISTOCK GROUP

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
BRG PATINA RESTAURANT GROUP

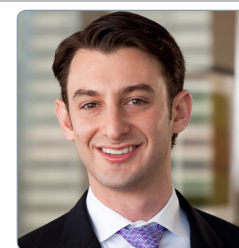
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About TM Capital

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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