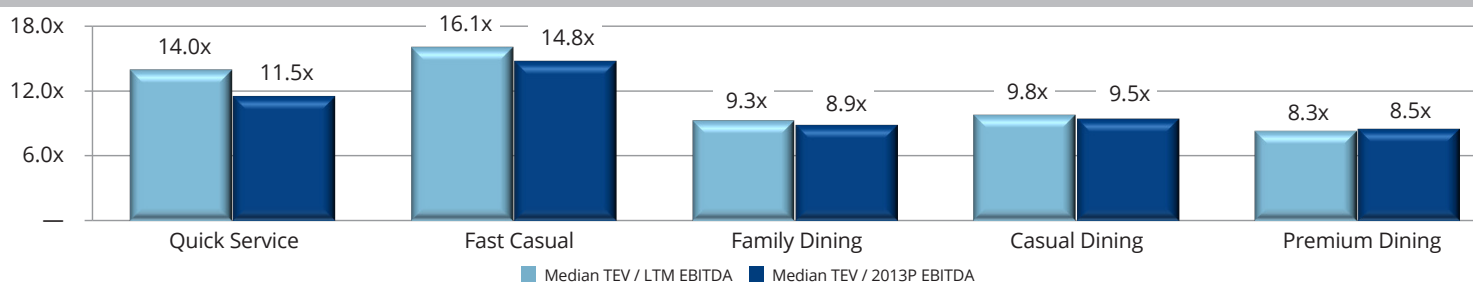


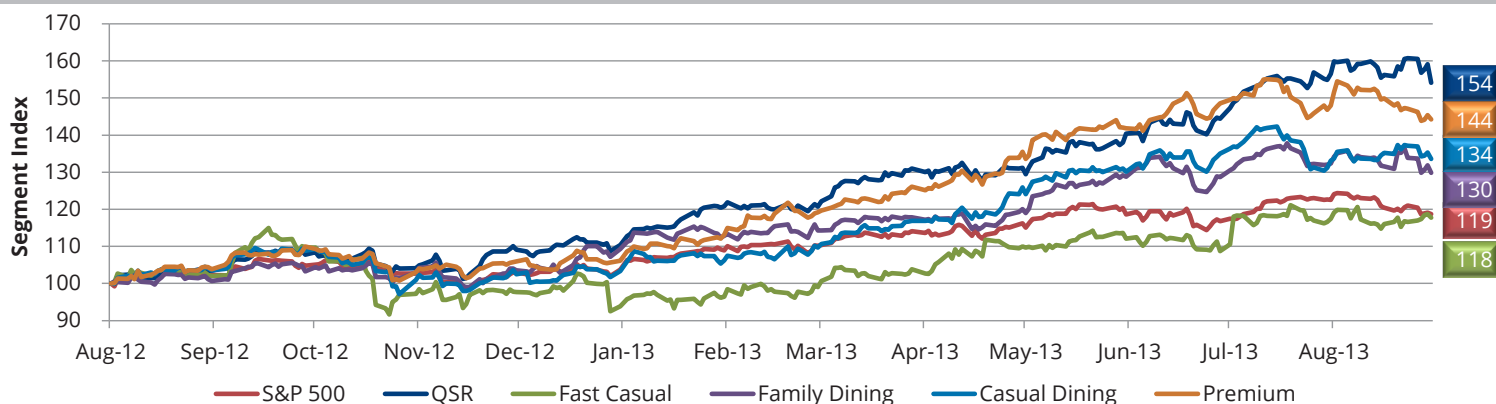
Restaurant Industry Commentary

August was a slow month for the restaurant industry, with most segments experiencing modestly soft comparable sales. The industry, broadly, fell less than 1% in August, according to Black Box Intelligence. While not a significant decline, this does mark the third consecutive month of relatively flat comparable sales for the industry. After what appeared to be a tenable recovery starting in the second quarter, unseasonal weather and largely ineffective promotions and a resulting drop in traffic have hurt operators throughout the summer. Notably, industry bellwether McDonald's reported a 0.5% decline in US comparable sales. Public market valuations have also been flat to declining over the last month, in line with the broader market. Winners included Popeyes - who reported its twelfth consecutive quarter of positive comparable sales growth last month - and Noodles & Co., whose stock price has risen over 23% since its June IPO. The QSR franchise space continued to drive M&A activity, with transactions announced in the Wendy's, Yum! Brands and Burger King systems, including an acquisition by our client, Goldco (a 100 unit Burger King franchisee). Also of note, Chicago-based Potbelly Corp., an operator of nearly 300 fast casual sandwich shops, filed for a IPO at the end of August and Protein Bar, a fast-growing, healthful fast casual concept, announced a pending investment from private equity firm Catterton Partners, which has a history of successful investments in the restaurant space.

Current Restaurant Valuations by Price Point (TEV / EBITDA)



Public Market Performance (Latest Twelve Months)



Recent Restaurant M&A Activity

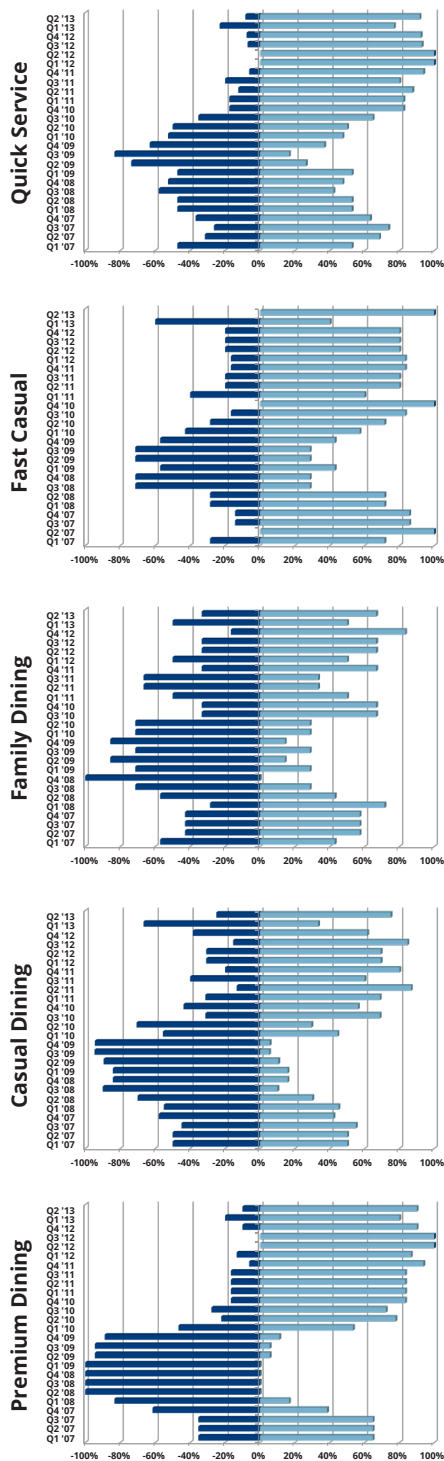
Closed / Announced	Target	Acquiror	Enterprise Value	EBITDA / Value Multiple	Industry Segment
09/12/2013	International Coffee & Tea, LLC	Advent International Corporation	NA	NA / NA	QSR
08/21/2013	Gateway Bells (62-Unit Yum! Brands Franchisee)	Flynn Restaurant Group LLC	NA	NA / NA	QSR
08/19/2013	Kahala 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
08/05/2013	T-Bird Nevada LLC (56-Unit Outback Franchisee)	Bloomin' Brands, Inc.	NA	NA / 8.5x	Premium
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
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
01/15/2013	20 McCalister's stores in OK, KS and MO	The Saxton Group Limited	NA	NA / NA	Fast Casual
01/09/2013	Fast Fresh Italian, LLC	DiNella Hospitality Ilc	NA	NA / NA	Fast Casual
01/02/2013	Pacific Island Restaurants, Inc.	Nimes Capital	NA	NA / NA	QSR

(\$ in millions)

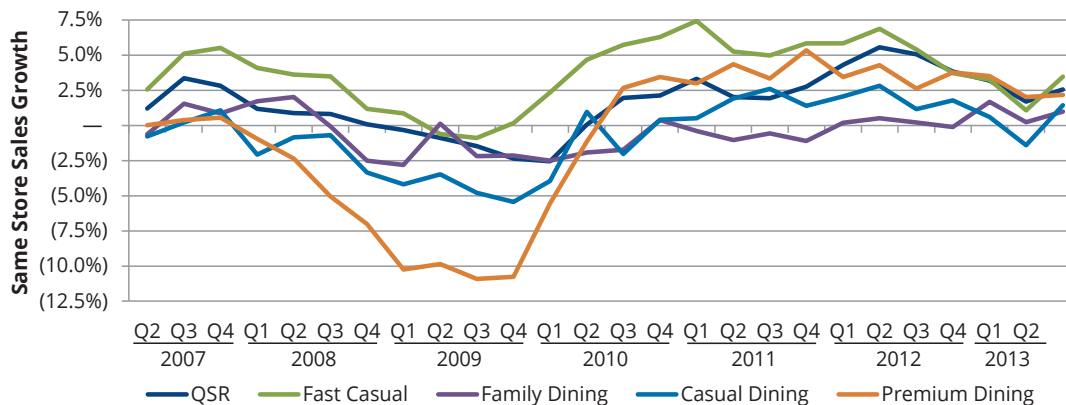
Indices consist of all publicly-available information for restaurant operators in their respective price points. For full listing, please contact the TM Capital Restaurant Practice.

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

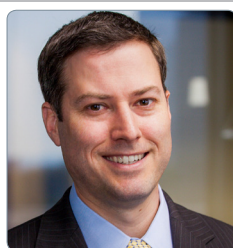
BACK BAY RESTAURANT GROUP
has sold
Atlantic Fish, Jolly, and Couch Grill
to
TAVISTOCK GROUP

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

Arbus
a subsidiary of
TRIARC
has acquired
RTM RESTAURANT GROUP

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

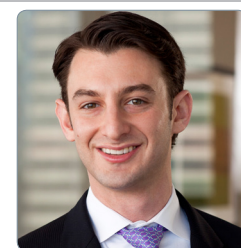
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About TM Capital

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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