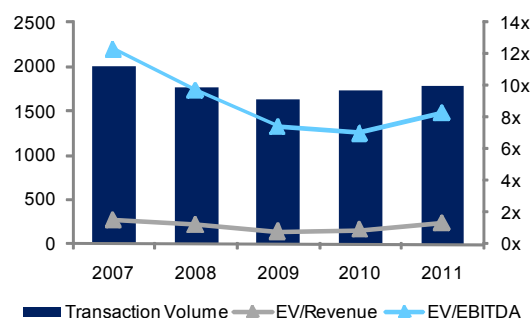


Overall M&A activity within the Hotels, Restaurants and Leisure sector increased by 2.7% over the last twelve months ending June 30, 2011 with 1784 deals reported compared to 1737 deals completed during the same period last year. Median Enterprise Value ("EV") multiples were at 1.3X Revenue and 8.3X EBITDA.

**QUARTERLY TRANSACTION METRICS**

Aggregate Industry Metrics	Q3 '10	Q4 '10	Q1 '11	Q2 '11
M&A - United States Domestic	78	65	86	87
M&A - Cross Border Global	343	375	379	371
Median EV/EBITDA	9.5x	10.1x	7.2x	8.4x
Median EV/Revenue	0.7x	2.4x	1.1x	1.3x
Median Value (\$MM)	\$20.0	\$15.6	\$17.1	\$23.8
<b>Sub-Sector Transaction Totals</b>				
Casinos and Gaming	42	47	48	60
Hotels, Resorts and Cruise Lines	236	218	232	198
Leisure Facilities	51	73	66	63
Restaurants	92	102	119	137

**LTM TRANSACTION METRICS AS OF 06/30**



Based upon Mosaic Capital research. Includes all companies with operations in a particular subsector. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity due to a lack of a public market.

**About Mosaic Capital**

Since 1989 Mosaic Capital LLC has assisted owners and managers of private and public middle market companies with the institutional private placement of debt and equity, mergers and acquisitions, valuations and strategic advisory services. Mosaic Capital is the California representative office of IMAP, a global organization of leading merger and acquisition advisory firms located in 30 countries. IMAP firms have completed more than 2,000 transactions exceeding \$60 billion in transaction value since 2000, and are ranked 4th worldwide in the Thomson Reuters league tables for 2010. The private placement of debt and equity is provided through our affiliate Mosaic Capital Securities LLC (member FINRA/SIPC).

Mosaic Capital is active in the following sub-sectors within the Hotels, Restaurants and Leisure sector. We are available to discuss trends within these sub-sectors with owners and management teams, as well as their advisors.

**Casinos and Gaming, including:**

- Casinos
- Online Casinos
- Gaming Operations
- Racetrack Betting
- Slot Machine Operators

**Hotels, Resorts and Cruise Lines, including:**

- Lodging and Camps
- Cruise Ships
- Scenic Operations
- Tour Operators
- Travel Agencies

**Leisure Facilities, including:**

- Amusement and Recreation Services
- Recreation Clubs
- Museums, Art Galleries and Gardens
- Sports and Related Services
- Gyms and Physical Fitness Facilities

**Restaurants, including:**

- Beverage and Tobacco Bars
- Cafeterias
- Catering Services
- Full Services Restaurants
- Mobile Food Wagons

**MERGERS & ACQUISITIONS - FINANCING - VALUATION**

For more information contact Gordon Gregory, Garry Michael Kann or Stan Deakin at 310.432.6777

or visit our website at [www.mosaiccapital.com](http://www.mosaiccapital.com)  
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