

## Press Release

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FOR IMMEDIATE RELEASE

### **Perkins & Marie Callender's Reaches Agreement on Pre-Arranged Financial Restructuring**

- **Company Initiates Voluntary Chapter 11 Filing To Implement Pre-Arranged Financial Restructuring**
- **Company Enters Into A Restructuring Support Agreement With 100 Percent Of Secured Noteholders And More Than 80 Percent Of Unsecured Noteholders**
- **Secures Commitment On \$21 Million Senior Secured, Superpriority Debtor-In-Possession Revolving Credit Facility With Wells Fargo Capital Finance, LLC**
- **Announces 58 Restaurant Closings as Part of Strategic Effort to Improve Restaurant Operations**

**MEMPHIS, Tenn., June 13, 2011** – Perkins & Marie Callender's Inc. ("Perkins" or the "Company") announced earlier today that it has entered into a restructuring support agreement (the "Restructuring Support Agreement") with holders of 100 percent of the Company's 14% Senior Secured Notes due 2013 and more than 80 percent of the Company's 10% Senior Notes due 2013 pursuant to which the Company has agreed to implement a financial and operational restructuring that will rationalize the Company's store footprint and result in a restructured balance sheet that will position the Company for long-term financial success.

As contemplated by the Restructuring Support Agreement, the Company has filed a voluntary petition for reorganization under chapter 11 of the U.S. Bankruptcy Code in order to implement the agreed-upon terms of the financial restructuring. Pursuant to the

restructuring, the holders of the Company's Senior Secured Notes have agreed to certain amendments to the notes including a two year maturity extension. The Company's unsecured creditors will convert their claims into 100 percent of the equity of the newly reorganized Company. The Restructuring Support Agreement requires the Company to file a plan of reorganization by no later than July 14, 2011 and to complete the restructuring by no later than October 21, 2011. Upon completion of the restructuring, the Company will be majority controlled by private investment funds managed by Wayzata Investment Partners LLC, a Minnesota-based private equity firm.

Concurrently with its chapter 11 filing, the Company has entered into an agreement with Wells Fargo Capital Finance to provide the Company with a \$21 million debtor-in-possession financing facility. The Company will use its cash-on-hand and the debtor-in-possession financing to maintain business-as-usual during the restructuring process. The Company believes its current and anticipated cash resources will be suitable to pay its expenses and maintain its business operations during the restructuring. Vendors and suppliers should see no change in normal business operations.

"The agreement reached with our noteholders will allow the Company to restructure its balance sheet on an expedited basis, strengthen its restaurant operations, and ensure the long-term viability of the Company. Our restaurant operations will not be impacted by the restructuring and our customers will continue to receive the highest quality products and dining experience they have come to expect from our restaurants," said Jay Trungale, chief executive officer of Perkins. "We greatly appreciate and recognize the support of our employees, customers, vendors and strategic partners whose support is vital to our success."

As part of its restructuring plan, the Company also announced the closing of 58 Perkins and Marie Callender's restaurants. Mr. Trungale explained that, "this initial round of store

closings was arrived at following store level analyses of historical financial performance, local market conditions, and cost structure. The process to identify underperforming locations remains ongoing and will continue throughout the chapter 11 case." The Company emphasized that the closings were necessary to put the Company on stronger financial footing and ensure the overall profitability of its restaurant portfolio.

The Company operates two family-dining restaurant chains, Perkins Restaurants and Marie Callender's. The Company has stated that the continuing weak economy has hurt its business, noting that the recession and the decline of housing prices hit hardest in markets where the Company's restaurants are most concentrated: Florida, California and Nevada. The Perkins and Marie Callender's restaurants operate as separate brands. Perkins, concentrated in midwestern and southeastern states, has 133 company-owned and 315 franchised restaurants. Marie Callender's, located in California and the southwest, operates 52 company and 37 franchised restaurants.

Franchisees, vendors and other stakeholders can obtain additional information about the reorganization by visiting [www.PRKMCRestructuring.com](http://www.PRKMCRestructuring.com).

This press release contains "forward-looking statements." These statements may be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "should," or "will," or the negative thereof or other variations thereon or comparable terminology.

The company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond its control. Some of the key factors that could

cause its actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements include the following:

- competitive pressures and trends in the restaurant industry;
- prevailing prices and availability of food, supplies and labor;
- relationships with franchisees and financial health of franchisees;
- general economic conditions and demographic patterns;
- development and expansion plans; and
- statements covering business strategy.

Undue reliance should not be placed on such forward-looking statements. The forward-looking statements included in this press release are made only as of the date hereof. The company does not undertake and specifically decline any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.