

# Perkins & Marie Callender's Inc.

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## Press Release

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FOR IMMEDIATE RELEASE

### **Perkins & Marie Callender's Inc. Wins Approval of First Day Motions and Debtor-In-Possession Financing**

**MEMPHIS, TN (June 14, 2011)** – Perkins & Marie Callender's Inc. (the "Company"), a leading operator of family-dining and casual-dining restaurants, today announced that the United States Bankruptcy Court for the District of Delaware (the "Court") has granted approval of the "First Day Motions" filed by the Company to enable it to conduct business in the ordinary course as it seeks to implement a financial and operational restructuring and position itself for long-term financial success.

All of the Company's operations, including its restaurants, are open and serving customers in the normal course. The Company and its restaurants will continue to provide their customers with a high-quality dining experience during the pendency of its restructuring process and beyond.

On June 13, 2011, as part of its voluntary filing for reorganization under chapter 11 of the United States Bankruptcy Code, the Company submitted First Day Motions designed to support its domestic customers, vendors and employees. At a hearing on June 14, 2011, the Court granted permissions for the Company, among other things, to:

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- Continue honoring its gift cards, valid coupons, charity certificates and other customer programs;
- Pay its employees in the usual manner and continue their primary benefits;
- Continue to maintain its cash management system;
- Pay certain prepetition claims of its vendors, suppliers, shippers, carriers, freight forwarders and warehousemen; and
- Pay postpetition invoices/claims for delivery or shipment of goods or services received or rendered to the Company postpetition.

In addition, the Court authorized the Company to access up to \$16 million under a new \$21 million Debtor-in-Possession credit facility (the "DIP Financing") on an interim basis in order to continue to finance its operations and make essential payments, such as funding employee payrolls, paying taxes and purchasing necessary goods and services. The Company will seek final approval of the entire DIP Financing at a future hearing before the Court.

Jay Trungale, the chief executive officer of the Company, said, "The authorization granted by the Court is an important first step in our restructuring process and will facilitate the smooth functioning of the Company as the process advances. With the support of our secured and unsecured noteholders, we will continue to work to complete our restructuring process as soon as possible and emerge in a strengthened financial position that will allow us to more effectively compete and achieve long-term success."

Franchisees, vendors and other stakeholders can obtain additional information about the Company's 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.*