

Press Release

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Trimaran goes for El Pollo Loco

(SEPTEMBER 28, 2005) – Trimaran Capital Partners LLC said Wednesday it has agreed to purchase the El Pollo Loco Inc. restaurant chain from private equity firm American Securities Capital Partners LP in a deal sources said was valued at about \$400 million.

Terms weren't disclosed, but a market source said Merrill Lynch & Co. and Banc of America Securities will provide roughly \$250 million in debt financing to support the buyout. The balance will consist of equity from New York-based Trimaran and the management team at the Irvine, Calif.-based chain of Mexican-style eateries.

El Pollo Loco had been expected to sell for \$340 million, which is about 10 times its trailing Ebitda of \$34 million and 8.3 times pro forma Ebitda of \$41 million. Adjusted Ebitda for this year is expected to be \$44 million.

The company posted \$219 million in revenue in 2004.

"El Pollo Loco is a proven, successful restaurant concept with compelling franchisee economics, and we believe it has substantial geographic growth opportunities," said Andrew Heyer, managing partner at Trimaran Capital.

El Pollo Loco, which means "The Crazy Chicken" in Spanish, has 139 company-owned and 188 franchised outlets. The 31-year-old company, which was established in Guasave, Mexico, in 1975, cooks marinated grilled chicken and Mexican-inspired entrées like tacos al carbon and quesadillas.

Heyer said the menu fits with growing consumer trends toward healthier foods and more ethnic-oriented foods. He said El Pollo Loco also generates strong unit economics and franchisee appeal.

For New York-based American Securities, the deal will generate a return of more than 6 times its investment. American Securities acquired El Pollo Loco from Advantica Restaurant Group in December 1999 for \$117.3 million.

The deal is Trimaran's second investment in the restaurant industry. In January, it agreed to acquire Mountainside, N.J.-based Charlie Brown's Inc., a casual steakhouse chain, from New York's Castle Harlan Inc. in a \$140 million deal.

Besides Heyer and Trimaran managing partner Dean Kehler, Trimaran's deal team included vice president David Benyaminy and associate Joseph De Perio. A Skadden, Arps, Slate, Meagher & Flom LLP team led by partners Eileen Nugent and Thomas Greenberg counseled Trimaran. El Pollo Loco was advised by Banc of America Securities LLC M&A bankers Joe Kennedy, Carl Stickel and financial sponsor coverage banker David Musicant and by Piper Jaffray & Co.'s Murray Huneke, Damon Chandik and John Twichell. North Point Advisors also assisted.