



DINE *and* DISCOVER





Passion for Success

Innovation

Commitment to Our Guests

Team Work

The success of **Casey's Grill • Bar** restaurants — and your success — is built on these values. It's what makes a **Casey's** restaurant different, and it is these values, shared between our franchisees and the team at Prime Restaurants, that has made **Casey's** a leader in Canada's casual dining segment.

Lofty words indeed. But as you read the **Casey's** story you will quickly realize that our passion is creating and delivering the best casual dining experience in Canada. That's our commitment to our Guests — and to our franchisees.

Welcome to Casey's Grill • Bar





It All Started... in 1980 in Sudbury, when a group of friends got together to create Canada's original Roadhouse, a place where they could gather with friends. Family recipes were used to create classics such as burgers, ribs and Caesars. Today, **Casey's Grill • Bar** is one of Prime's family of leading casual dining brands. Today, Prime's portfolio includes five of Canada's most recognized and successful casual dining brands, and chances are you have enjoyed a memorable dining experience at one of our more than 160 restaurants in Canada, including:

Casey's (Est. 1980)
36 locations in Ontario & Québec

Prime Pubs of Canada (Est. 1996)
11 locations in Ontario and Alberta

Pat & Mario's (Est. 1982)
1 location in Ontario

Bier Markt (Est. 1998)
1 location in Toronto

East Side Mario's (Est. 1987)
110 locations across Canada
4 locations in the U.S.A.

Prime Pubs of America (Est. 2006)
3 locations in development





Prime Restaurants' brands employ more than 10,000 Canadians in full and part-time positions, and is an integral part of the communities in which they operate, from fund-raising and the sponsorship of community events, to Prime's long-standing corporate support of **Camp Oochigeas**, which provides kids living with cancer the opportunity to enjoy a unique summer camp experience.

That is what we are, but who we are is defined by our values.

P eople

We value the contributions of all of our people and recognize that the best results are achieved through team efforts. We are a diverse family working together to achieve a common goal.

R esults

We accept accountability for, and are committed to, achieving the best results and financial returns for all of our stakeholders.

I ntegrity

We employ the highest ethical standards, demonstrating honesty and building trust in every action that we take.

D evelopment

We are committed to the personal and professional development of our people.

E ye on the Guest

We are passionate about delivering the ultimate Guest experience.



At a Casey's restaurant, we encourage our Guests to try something new, something unexpected that they normally wouldn't make at home, discover new flavours and share new experiences as they connect with friends and family over great food and drink. We invite our Guests to Dine and Discover an exciting new casual dining experience.



We fight to keep our Guests coming back, and are committed to educating and inspiring our staff so that they'll pay absolute attention to all of the personal touches that truly make for a memorable dining experience.

The on-going success of **Casey's** restaurants is due to our ability to deliver a dining experience that meets the continually shifting tastes and rising expectations of today's Guests, while remaining committed to our mission to out-work, out-cook and out-innovate our competitors.

Casey's restaurants offer a contemporary dining experience within the casual dining segment, coupled with interiors that offer bold design elements balanced with inviting colours, warm accents and increased booth seating that create the perfect dining atmosphere. Whether it's a group of friends getting re-connected, or a couple looking to spend some quality time together, **Casey's** restaurants friendly and attentive staff will put them at ease, and help create the right atmosphere to re-connect.

Casey's restaurants are ideally positioned, from our restaurant's design and dining atmosphere, to our food and beverage offering, to connect with our principal target, Guests 34-54, which aligns with the composition and the future growth trend of the Canadian population. Guests 19-34 will also feel at home at a **Casey's** restaurant, especially in our dynamic bars, whether it's a gathering to catch the big game, or just a night out with friends.

Casey's restaurants' food and beverage offering provides our Guests with the opportunity to enjoy a variety of flavours including the familiar, Casey's Classics, irresistible favourites such as our Famous Back Ribs and Casey's Classic Caesar, while our new innovative menu items, Casey's Twists, are packed full of fresh ingredients and exciting flavours, including our Mango Mahi Mahi or Louisiana Jambalaya. We make it all deliciously easy for our Guests to enjoy an old favourite, or to discover new flavours and share new experiences.



To create The Perfect Dining Experience, we went back to the drawing board – *Literally* – and designed our prototype for success



Our team of restaurant designers was given the challenge to create an atmosphere that was contemporary, yet relaxed, the perfect setting for our principal Guests, those who look forward to dining out because they enjoy the company of friends and great conversation as much as they enjoy the meal itself.

Eighteen months in development, the evolution of the **Casey's** brand was unveiled in December 2006 with the opening of our new prototype restaurant in Milton, Ontario. The new Casey's prototype features bold design elements balanced with inviting colours and warm accents.

The dining room includes a mix of table seating and booths providing our Guests with the opportunity to gather with friends or enjoy a more intimate dining occasion. Our bars feature LCD monitors and a mix of seating options that enable our Guests the flexibility to pull up a seat and catch the game, or share a conversation and a drink with a friend.

The Perfect Dining Experience



The **Casey's** prototype features two floor plans, 5,200 and 6,400 square feet, and provides 208 interior and 67 patio and 260 interior and 67 patio seats respectively.



With your investment in a **Casey's** franchise, you can experience the freedom of running an independent business with the security of working within an established franchise system.



From the moment

your commitment is made, the **Casey's** management team begins the planning process. We work with you, lending our experience and expertise to every facet of your business including site selection and lease negotiations. We coordinate virtually all the activities that will take you from preliminary layout to opening day.

We will assist you to prepare with our partner financial institutions financial packages and programs to suit your needs. With the **Casey's** team it is a true turn-key operation. We work side-by-side with you providing the programs for you to achieve your restaurant's maximum potential, and the personal satisfaction and financial rewards you deserve.

We are there to give you operational support on everything from menus, to proprietary inventory systems, from kitchen assistance, to field support. As well, **Casey's** offers comprehensive marketing support, all the tools needed for you to make your sales grow.

Prime Restaurants



The Casey's Support Team



Real Estate and Construction: From site selection to design and development you benefit from 27 years and over 160 restaurants worth of experience.

Prime University: The franchisee is provided two weeks of classroom training at Prime's head office, followed by four weeks of in-restaurant training. Prime University provides our franchisees with basic skills necessary to successfully operate a restaurant. The hands-on restaurant training gives the franchisees the opportunity to put into practice what has been learned during the two weeks of class instruction.

Training: We also provide in-restaurant training to Assistant Managers (five weeks) and to the Kitchen Managers (six weeks). We assist the franchisee and their management team with hiring their team members and provide a "hands-on" support team for ten days to train the team prior to the opening of the restaurant. The support team, consisting of a Project Manager, Front of the House Trainer and Back of House Trainer, will also provide operations support for three weeks after the restaurant is open.

Operations: Your **Casey's** restaurant also comes with an expert in restaurant operations. Area Managers are responsible for assisting our franchisees to meet their financial targets. From effective scheduling, cost control and sales building, our Area Managers are hands-on — in your restaurant, on the floor, in the kitchen — not their offices. The Area Manager is one of the key components in our on-going support of our franchisees.

Marketing: A dedicated team of marketing professionals ensures that a **Casey's** restaurant is top-of-mind with its Guests, creating exciting, break-through culinary and beverage programs that are designed to increase Guest counts, and to drive top-line sales on both a national and local restaurant level.

Food and Beverage: Our Executive Chef and Beverage Systems Manager are continuously examining dining trends in Canada and around the world in an effort to deliver to our Guests the latest in flavour trends while remaining connected to our brand position. The result? They're always up to something in the kitchen,

and mixing up a unique cocktail or two. Members of our food and beverage team also provide in-restaurant training for your team, all in an effort to meet our Guest's high-standards and expectations, and to assist you to achieve financial success.

Purchasing: You benefit from the immense buying power of over 160 restaurants, and a team of purchasing professionals who are assigned with the responsibility to deliver you the best possible product at the best possible price.

Finance and Accounting: The Finance and Accounting team provides you with the information systems required to effectively — and profitably — run your restaurant. You will also be able to compare your restaurant's performance to other locations through our Stack Ranking and Bench Marking financial reporting systems.

Information Technology: To provide you with up-to-date information systems and the latest in system reports, we have a dedicated IT department.

Human Resources: Human Resources provide you with all the information tools you need to hire, train, retain and manage your Team.

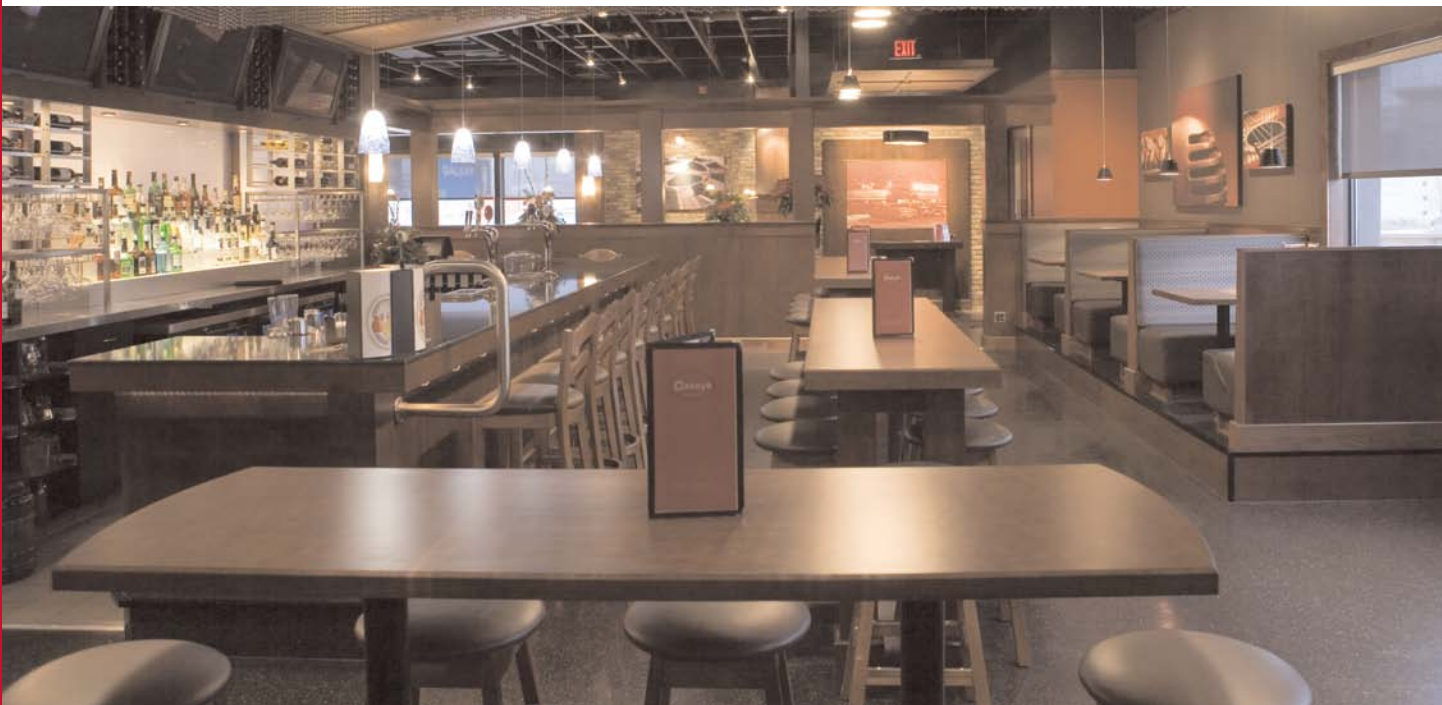
Franchisee Advisory Committee: To insure that you have a voice, Prime in partnership with its franchisees, created the Franchisee Advisory Committee. Comprised of individuals from the franchisee community, FAC members are elected by their peers. Their mandate is to work with other franchisees to ensure that there is an open dialogue between us and you, the franchisee, as it pertains to our mutual business interests. The FAC convenes three times annually with representatives from the **Casey's Grill • Bar** management team. Semi-annual meetings are held to keep our franchisees informed as to future plans and to share the results of our recent initiatives.

President's Club: Each year we recognize the top performers with a trip to a new and exciting destination — and of course, it is on us. It's our way of saying thanks for being part of the Prime family, and for being the "best of the best" when it comes to sales and profitability.



The **Casey's** restaurant team takes great pride in their restaurants, and is dedicated to delivering the best casual dining experience in Canada.

Future franchisees must share our vision, and the passion to create the **Casey's** brand experience. We are looking for entrepreneurs who are genuinely interested in being part of our dynamic and exciting food service business. We want people who are willing to roll up their sleeves and provide the "hands-on" control required to satisfy both Guests and Team Members.



And most importantly, we want people who are willing to focus their energies on being successful.

It all sounds great, right? And we haven't even shared with you all the awards we have received in recognition of our success. (We couldn't resist, so take a moment and review a few of the highlights noted below.) Want to hear from someone else? We would be pleased to introduce you to one of our franchisee partners so that you could hear all the positive aspects – and challenges – that come with owning and operating a **Casey's** restaurant. Let us know and we'll do lunch.



The Awards

Canada's 50 Best Managed Private Companies

2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007
Platinum Member 7 Consecutive Years 2000-2006

Entrepreneur of the Year 2003

Outstanding Business Achievement Award Large Business of the Year

Board of Trade – Mississauga, Ontario

Restaurateur of the Year

Ontario Restaurant News

Food Service Chain Operator

Ontario Hospitality Institute

Prime Royalty Income Fund — listed on the Toronto Stock Exchange (with the appropriate symbol EAT.UN) allows investors to participate in our success. For the latest public information on the Fund, go to:

www.primerestaurantsfund.ca or **www.sedar.com** and search for us under company profile.

Q. What is the difference between a Casey's prototype and a restaurant conversion?

A. The difference between the two is the construction type. The **Casey's** prototype restaurant is built to our specifications from the ground up. Both target high-growth, urban markets of over 50,000 people.

Q. How much cash (equity) do I need?

A. Approximately \$550,000 to \$750,000 of unencumbered cash is required, representing 45-50% of the total investment depending on credit worthiness. This allows for approximately \$75,000 to \$125,000 of Working Capital.

Q. How much does it cost to purchase a restaurant?

A. The cost of purchasing a **Casey's** restaurant will vary from project to project, but generally complete development, grant of Franchise, training and pre-opening costs will range from \$1,250,000 - \$1,350,000. In the case of a land lease the total cost will range from \$1,795,000 to \$1,895,000.

Q. Why does the cost vary so much?

A. The cost varies due to a number of factors including whether the site was formerly a restaurant, landlord's contribution towards leasehold improvements, local labour and material costs and the condition of the retail space to be leased.





Q. What is the difference between a land lease and a standard lease?

A. In the case of a standard lease the landlord pays for the base building. Under a land lease the tenant owns, and pays for, the building.

Q. Does Prime provide financial assistance?

A. Prime does not provide financing for franchisees, but it does assist franchisees to obtain the required level of financing. We have excellent relations with several lenders, and assist you to prepare a detailed application for financing.

Q. What is the initial Franchise Fee and what initial services are provided?

A. The initial franchise fee is \$50,000 and the initial services provided prior to opening include:

- a) Site Selection** — evaluation of potential restaurant sites based on proven selection criteria.
- b) Design & Development** — Complete detailed interior and exterior design, building plans and specifications; professional supervision of all construction.
- c) Pre-Opening Assistance** — All opening activities including national purchasing, co-ordination with suppliers, municipalities and trades.
- d) Registered Trade-marks** — Franchisees use the appropriate concept trade-marks, logos, and proprietary products and services.

Q. How much are the on-going Royalty and Advertising Fees?

A. The Royalty & Service Fee of 5% of gross sales is submitted to Prime weekly. The advertising cost is 4% spent both nationally and locally.

Q. What do I get for these fees?

A. The Royalty Fees include on-going services such as:

- a) use of nationally recognized and advertised trade-marks
- b) proprietary financial, tracking and benchmarking systems
- c) centralized purchasing and distribution
- d) confidential operating manuals and field support to red flag performance issues and identify action plans to address variances from targeted performance
- e) research, development and quality control
- f) proven business model

The Advertising Fund produces professional advertising material and dedicated brand support personnel at head-quarters who develop annual marketing and promotional plans to assist in realizing your market's potential.

Q. Do I have to operate the store or can I simply invest? What about partner(s)?

A. Prime offers everything from owner-operator arrangements to area license opportunities. For all independent owner-operator locations we insist that one of the partners with at least 25% equity participation complete our training program and be responsible for the day-to-day operation of the restaurant.

Q. What training support do I get?

A. The owner-operator is provided with two weeks of classroom training at Prime's head office followed by four weeks of in-restaurant training. Additionally, in-restaurant training is provided to the Assistant Managers (totaling five weeks) and to the Kitchen Manager (totaling six weeks). We assist the franchisee and his/her management team with hiring, and provide a "hands-on" support team for 10 days prior to opening, to three weeks of post-opening operations support.





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