



BRAZOS PRIVATE EQUITY PARTNERS, LLC

**BRAZOS PRIVATE EQUITY PARTNERS AND MANAGEMENT GROUP
ACQUIRE CHEDDAR'S, INC.**

**– Established and Successful Owner-Operator of Casual Dining Restaurants
Has Forty-two Owned or Franchised Units in Thirteen States –**

Dallas, Texas, Nov. 10, 2003 — Brazos Private Equity Partners, LLC, a leading Dallas-based private investment firm, and management of Cheddar's, Inc., today announced the acquisition of Cheddar's, a Dallas-based owner and operator of casual dining restaurants. Founded in 1978, Cheddar's has a total of forty-two owned and franchised units in thirteen states and systemwide sales of more than \$150 million. Financial terms of the transaction were not disclosed.

Cheddar's has eighteen company-owned locations in five states (including twelve in Texas) and twenty-four franchise locations in ten states. With a senior management team averaging more than twenty years each at the company, Cheddar's has a proven and successful operating philosophy that focuses on "putting value on the plate"—building customer loyalty by offering large portions of high-quality food at a great price; attracting, training and retaining quality employees; and building long-term relationships with business partners. That operating philosophy has enabled Cheddar's to achieve an outstanding record of operational and financial performance; in the company's twenty-five-year history, it has never closed or had an operating loss at any of its owned locations, and each of its units is profitable on a stand-alone basis, an extraordinary track record in the always challenging and highly competitive restaurant industry.

Randall S. Fojtasek, a Brazos Partner, said: "We are delighted to partner with Cheddar's management to acquire this outstanding enterprise, and we look forward to working closely with CEO Aubrey Good, President Doug Rogers, COO Greg Good, and their colleagues on the Cheddar's management team to continue to build the value of Cheddar's for its customers, employees, and business partners."

Aubrey Good, Chief Executive Officer of Cheddar's, said: "Partnering with Brazos facilitates our growth strategy, while maintaining the core value proposition to our customers and relationships with our growing employee base. In addition to selectively adding more locations in Cheddar's existing markets, we will explore opportunities in new markets, continue our ongoing store improvement program, and seek other ways to enhance the Cheddar's brand. Among other strategic and operational initiatives, we will pursue the continued development of the seafood-themed Fish Daddy's concept, building on our experience with our first Fish Daddy's restaurant in Tulsa, Oklahoma, and our second location in Austin, Texas, which is set to open early next year."

Doug Rogers, President of Cheddar's, said: "Cheddar's has come a long way over the past quarter-century, starting out with a 'burger and fries' concept and evolving over the years to a varied menu that includes steaks, ribs, seafood, salads, pastas, chicken, burgers, and more—all well-prepared, 'from scratch', with outstanding ingredients; all served by well-trained and

friendly staff; and all at a great price. As members of Cheddar's new ownership group, my colleagues and I look forward to working with our new partners at Brazos to realize what all of us believe is Cheddar's tremendous potential."

About Brazos Private Equity Partners, LLC

Brazos Private Equity Partners provides capital for acquisitions and recapitalizations of established middle-market companies with strong and proven management teams, stable and growing cash flows, and significant growth potential. Through limited partner and co-investment capital, Brazos has approximately \$400 million available for investment. Based in Dallas, Brazos partners with management teams to invest in manufacturing, consumer products and services, healthcare, media, distribution, and financial service businesses.

Transactions completed by Brazos since April 2002, in addition to the acquisition of Cheddar's, Inc., include CoMark Building Systems, Inc. (DeSoto, Tex.), one of the leading U.S. specialty manufacturers of single- and multi-floor commercial-grade modular buildings; Rennhack Marketing Services, Inc. (Grapevine, Tex.), a leading national provider of premiums and incentive marketing services; Lone Star Overnight, L.P. (Austin, Tex.), an intra-regional express package delivery business serving Texas and Oklahoma; Shelter Distribution, Inc. (Indianapolis, Ind.), one of the largest distributors of residential and commercial roofing products, siding, and related accessories in the Midwest; National Surgical Care, Inc. (Chicago, Ill.), a company recently formed to acquire and develop ambulatory surgery centers and short-stay surgical hospitals in markets across the country; and Republic Group of Insurance Companies (Dallas), a provider of property and casualty insurance focused primarily on the Texas market.

For additional information about Brazos, please visit the firm's website at www.brazospartners.com.

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