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## **NEWS RELEASE**

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**FOR IMMEDIATE RELEASE**

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### **FAIRMONT CAPITAL AND PARTNERS COMPLETE THE SALE OF SHARI'S RESTAURANTS**

Yorba Linda, CA, December 28, 2005 -- Fairmont Capital, Inc., a private equity investment firm based in Orange County, California, announced that Fairmont and its co-investors have completed the sale of Shari's Management Corporation (aka Shari's Restaurants) to another private equity investment group for approximately \$80 million.

Fairmont acquired control of Shari's in February 1999. Its co-investors included Windjammer Capital Investors and management. The new investor group that has purchased Shari's includes Circle Peak Capital, Sankaty Investors, Falcon Investment Advisors, The Carlyle Group, Magnetar Capital, and management.

Michael Gibbons, President of Fairmont stated, "This is a very good transaction for our selling group, management and for the buyer. Since we acquired control of Shari's, Fairmont has worked closely with management to enhance the menu offerings, increase Shari's brand awareness, add new and innovative pie and bakery items, and significantly upgrade the company's financial forecasting and reporting systems. The strategy has worked wonderfully; the company has really been on a roll operationally and financially."

Mr. Gibbons added that, "Shari's has also restarted its new unit and remodel growth plan and the new owners will be able to take advantage of this momentum and accelerate it."

Commenting on the Shari's management, Mr. Gibbons stated, "The Shari's team is fantastic. We leave this investment knowing that the buyer is getting a great company with a first-rate management team. I would stack them up against anyone in the industry."

Larry Curtis, President of Shari's stated, "The executive team at Shari's has really enjoyed working with the Fairmont team these last six years. Fairmont has not only helped us refine our strategy, but they also know when to pitch in and do some hands-on work when it is needed."

Mr. Curtis added that “Shari’s is really well positioned in the Northwest. Our business is growing and we look forward to continuing our success with our new ownership group.”

This Shari’s transaction marks the latest in a string of highly successful transactions for Fairmont in the restaurant industry. Earlier this year, Fairmont exited from its investment in Garden Fresh, a leading national soup, salad and pasta buffet restaurant chain operating under the names Souplantation® and Sweet Tomatoes®. In March 2004, Fairmont led a group that took Garden Fresh private off the NASDAQ stock exchange in a \$134 million transaction.

In May, 2001, Fairmont orchestrated the going-private of VICORP Restaurants, Inc. In July 2003, Fairmont and its co-investors sold VICORP to Wind Point Partners.

Tim Greenleaf, Managing Director of Fairmont explained that, “Fairmont focuses on the consumer sector, including manufacturers, retailers, restaurants, and food service companies. Our restaurant companies have been very good investments for us. In restaurants, we believe there is significant consumer demand and growth potential. The key elements are a sound strategy and a great management team. We also like the attractive valuations and financing potential of certain restaurant strategies within the industry.”

Fairmont and Windjammer were advised in the selling process by the investment banking firm of Houlihan, Lokey, Howard & Zukin.

About Fairmont Capital, Inc.:

Fairmont Capital, Inc. is a private investment company whose primary focus is the acquisition of seasoned operating companies. Fairmont seeks those situations in which long-term capital appreciation can be achieved through the combination of creative management, new strategies and quality corporate assets. Since 1986, Fairmont and its affiliates have completed acquisitions in various consumer products and service industries to build portfolio companies. Consumer industries that Fairmont has invested in include furniture, apparel, catalog companies, auction houses, and restaurants.

About Shari’s Management Corporation:

Shari’s Management Corporation is the leading family-style dining chain in the Pacific Northwest operating 97 units in Oregon, Washington and surrounding states. Operating under the name Shari’s Restaurants, the Company has established itself as the regional leader by combining quality food and pleasant surroundings with good value, efficient service and 24-hour accessibility. Shari’s has historically generated steady growth and profitability throughout various economic cycles under the direction of its existing management team and enjoys a loyal base of repeat customers.