

Cara Announces Secondary Offering of Subordinate Voting Shares by Cara Holdings Limited

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VAUGHAN, ONTARIO - Cara Operations Limited ("Cara") (TSX:CAO) announced today that Cara and Cara Holdings Limited, a company controlled by the Phelan family ("CHL"), have entered into an agreement with a syndicate of underwriters for the secondary offering by CHL (the "Offering"), on a bought deal basis, of 3,000,000 subordinate voting shares ("Subordinate Voting Shares") of Cara at a price of \$34.75 per share, for total gross proceeds of approximately \$104,250,000. Cara will not receive any of the proceeds from the sale of Subordinate Voting Shares by CHL.

The Offering is being made through a syndicate of underwriters led by Scotia Capital Inc. (acting as sole bookrunner) and including BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., TD Securities Inc., Canaccord Genuity Corp., Laurentian Bank Securities Inc. and Raymond James Ltd. (the "Underwriters").

Following completion of the Offering, CHL will continue to hold 14,492,906 Multiple Voting Shares, representing approximately 29.5% of Cara's total issued and outstanding shares.

The Subordinate Voting Shares offered under the Offering will be offered in all provinces and territories of Canada by way of a prospectus supplement to a base shelf prospectus of Cara. The Offering will also be extended to Qualified Institutional Buyers in the United States pursuant to the exemptions from registration provided by Rule 144A of the Securities Act of 1933, as amended. The closing is scheduled for December 2, 2015, subject to customary closing conditions. A copy of the prospectus supplement will be available on SEDAR (www.sedar.com).

No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold in the United States unless pursuant to an exemption therefrom. This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of Cara Operations Limited in any jurisdiction.

Forward-Looking Information

Certain information in this news release relating to Cara and CHL is forward-looking within the meaning of Canadian securities laws as it relates to the announced Offering. When used in this context, words such as "will", "anticipate", "believe", "plan", "intend", "target" and "expect" or similar words suggest future outcomes. The purpose of forward-looking information is to provide investors with management's assessment of future plans and possible outcomes and may not be appropriate for other purposes.

Readers are cautioned not to place undue reliance on forward-looking statements as actual results could differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements. Except as required by law, each of Cara and CHL disclaims any intention and assumes no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

About Cara

Founded in 1883, Cara is Canada's oldest and largest full-service restaurant company. The Company franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, Milestones, Montana's, Kelsey's, East Side Mario's, Casey's, New York Fries, Prime Pubs, Bier Markt and Landing restaurants. As at September 27, 2015, Cara had 828 restaurants across Canada, 88% of which are operated by franchisees. Cara's restaurants are located across Canada with 72% of Cara's locations based in Ontario. Cara's shares trade on the Toronto Stock Exchange under the ticker symbol CAO. More information about the Company is available at www.cara.com.

CONTACT INFORMATION

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