

Cara Enters into Strategic Financial Partnership with Fairfax, Acquires Prime Restaurants and Appoints Bill Gregson as New President and CEO

VAUGHAN, Oct. 31, 2013 /CNW/ - Cara Operations Limited ("**Cara**" or the "**Company**") announced today that it closed a strategic financing transaction (the "**Transaction**") with Fairfax Financial Holdings Limited ("**Fairfax**") and acquired Prime Restaurants Inc. ("**Prime**") from Fairfax as part of the Transaction. Cara's legacy remains intact, as Cara's founders, the Phelan family, continue as its controlling shareholders. Cara is also pleased to announce Bill Gregson as President and Chief Executive Officer of the combined enterprise.

With a strategic financial partner like Fairfax and the addition of Prime's casual dining restaurant brands and premium Irish pubs, including East Side Mario's, Casey's and Prime Pubs (Fionn MacCool's, D'Arcy McGee's, Paddy Flaherty's, Tir nan Óg) and Belgian-style brasseries operating as the Bier Markt, Cara has solidified its position as Canada's largest full service restaurant company with iconic brands that deliver unique dining experiences for Canadians coast to coast. This combined family of restaurants significantly increases Cara's scale, strengthens its market position and provides opportunities for growth and acquisitions. Also, sharing best practices with Prime bolsters Cara's ability to deliver the perfect guest experience to all guests.

Concurrent with the closing of the Transaction Mr. Bill Gregson has been appointed President and CEO of Cara. Mr. Gregson has spent over 30 years in the retail industry, most recently as Executive Chairman, President and CEO of The Brick Group. The Brick Group has both corporate and franchised stores. Prior to that, Mr. Gregson was the President and Chief Operating Officer of the Forzani Group, Canada's largest sporting goods retailer operating a number of corporate and franchised banners including Sport Chek, where he worked for 11 years. Mr. Gregson is a seasoned executive with extensive operations experience in the retail industry and has a proven track record of increasing sales and profit. His experience with franchise partners and vendors in a customer service industry makes him the right leader at this exciting time for Cara and Prime. Mr. Gregson commented, "This is a terrific transaction for both Cara and for Prime, and will create a tremendous platform for all of our brands. I am excited to be a part of this phase of Cara's long and successful history, and to work with a great financial partner like Fairfax."

Mr. Michael Norris, interim Chairman of the Board of Cara added, "With Fairfax as our strategic financial partner, Cara's significant scale and expertise and the addition of Prime's strong brands, we are in an excellent position to take all of our brands to the next level, with an unwavering eye of providing the perfect guest experience in every single location. Strategically, this broadens our offering to Canadian families, and moves us further towards our vision of becoming the undisputed leader of the restaurant industry in Canada."

Prime will become a wholly owned subsidiary of Cara. Mr. John A. Rothschild, who will continue as the CEO of Prime and will be the Executive Vice Chair of the Board of Cara, also commented, "This transaction creates an outstanding opportunity for Prime and the entire Prime family. Becoming part of Cara will create new and dynamic opportunities to grow the Prime brands and participate in an exciting future with Cara and Fairfax."

Mr. Paul Rivett, President of Fairfax added, "Both Cara and Prime are Canadian-based success stories founded on a passion for good food, strong value and exceptional service. Prime delivers a team of skilled operators with a long-term track record as well as additional iconic brands that will fit seamlessly within the Cara family. We believe this is an excellent opportunity to combine the best of both organizations and their over 50,000 employees behind a Canadian leader with combined systems sales of almost \$1.7 billion that can eventually be a global made-in-Canada success story."

About Cara

Cara is Canada's largest full service restaurant organization. The Company is over 125 years old and operates some of the most recognized brands in the country, including Swiss Chalet Rotisserie & Grill®, Harvey's®, Milestones Grill & Bar®, Montana's Cookhouse® and Kelsey's Neighbourhood Bar & Grill® in addition to the newly acquired Prime brands including East Side Mario's®, Casey's®, Fionn MacCool's®, D'Arcy McGee's®, Paddy Flaherty's®, Tir nan Óg® and Bier Markt®. Canadian-owned and led, Cara now operates 843 corporate and franchise-owned restaurants across Canada. With the acquisition of Prime the Company and its restaurants now employ more than 50,000 associates across the country.

For further information: Cara's Media Hotline, 416-979-1979