

## Cara Operations Limited Announces an Extension of the Expiration Date of Its Consent Solicitation and Changes to the Proposed Amendments to Its 2010 Indenture

**VAUGHAN, Nov. 3, 2011 /CNW/ -**

### **NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES**

Cara Operations Limited (the "**Company**" or "**Cara**") announced today that it has extended the expiration date of its previously announced solicitation (the "**Solicitation**") soliciting consents (the "**Consents**") from holders of its 9.125% Senior Secured Second Lien Guaranteed Notes due December 1, 2015 (the "**2010 Notes**") of record as of 5:00 p.m., Toronto time, on October 13, 2011 (each such holder, a "**Holder**"), such that the Solicitation will now expire at noon, Toronto time, on Tuesday, November 8, 2011 (such time and date, the "**Expiration Date**").

The Solicitation was commenced by the Company on October 17, 2011 to amend certain terms and provisions of the indenture dated as of December 1, 2010 (the "**2010 Indenture**") among the Company, certain guarantors (the "**Guarantors**"), and Computershare Trust Company of Canada, as trustee (the "**Trustee**") governing the 2010 Notes (the "**Proposed Amendments**").

The changes to the Proposed Amendments will allow Cara to exclude any costs relating to the Solicitation from the calculation of Consolidated Interest Expense (as defined in the 2010 Indenture) and Consolidated Net Income (as defined in the 2010 Indenture). The changes clarify the previous changes made to the Proposed Amendments announced on November 1, 2011 due to the accounting treatment of these costs.

The Solicitation is subject to customary conditions, including, among other things, the receipt of valid Consents (which Consents have not been properly revoked) by the Expiration Date with respect to not less than a majority in aggregate principal amount of the outstanding 2010 Notes (the "**Requisite Consent**"). As of November 3, 2011, the Company has received the Requisite Consent but has extended the Solicitation to allow holders to fully consider the changes to the Proposed Amendments. **Accordingly, any Holder who wishes to revoke their Consent based on these amendments must do so prior to the Expiration Date.**

The consent fee of \$30.00, in cash, for each \$1,000 principal amount of 2010 Notes (the "**Consent Fee**"), payable by Cara to holders of 2010 Notes who have validly delivered, and not revoked their Consent by the Expiration Date, remains unchanged and the terms and conditions upon which such Consent Fee is payable have also remain unchanged.

All Holders who have previously delivered Consents and who continue to be in favour of the Proposed Amendments do not need to redeliver such Consents or take any other action in order to consent or receive the Consent Fee, if one is paid. Other Holders who have not yet delivered Consents should follow the instructions set forth under "Procedure for Consenting" in the Consent Solicitation Statement delivered to them and may use the previously distributed Letter of Consent or Consent Instruction for purposes of delivering their Consents.

All Holders who have previously delivered Consents but disagree with the changes to the Proposed Amendments as described herein, should follow the instructions set forth under "Revocation of Consents" in the Consent Solicitation Statement delivered to them. After the Expiration Date, properly completed and duly executed and delivered Consents are not revocable.

Holders who do not deliver Consents on or prior to the Expiration Date, or who deliver but validly revoke their Consent prior to the Expiration Date, will not receive a Consent Fee if one is paid.

If the conditions to the Solicitation are satisfied, as set forth in the Solicitation Materials (as defined below) and the supplemental indenture giving effect to the Proposed Amendments is entered into by the Company, the Guarantors and the Trustee, the Proposed Amendments will bind all Holders, including those that did not give their Consent or who validly revoked their Consent prior to the Expiration Date.

Cara reserves the right to further amend the terms and conditions of the Solicitation at any time on or prior to the Expiration Date for any reason, including, but not limited to, amending, extending and/or terminating the Solicitation.

The Company has engaged Scotia Capital Inc. ("**Scotia**") to act as solicitation agent, Georgeson Shareholder Communications Canada Inc. ("**Georgeson**") to act as information agent and Computershare Trust Company of Canada ("**Computershare**") to act as tabulation agent for the Solicitation. Questions regarding the Solicitation

may be directed to Scotia (attention: Michael Lay) via telephone at (416) 863-7257 or 1 (888) 776-3666 (toll-free) or via e-mail at [michael\\_lay@scotiacapital.com](mailto:michael_lay@scotiacapital.com).

Requests for documents relating to the Solicitation may be directed to Georgeson at 1 (888) 605-8408 (toll-free).

None of the representatives or employees, officers or directors of the Company or any of its subsidiaries, Scotia, Georgeson, Computershare, or the Trustee makes any recommendation as to whether or not Holders should deliver their Consents pursuant to the Solicitation, and no one has been authorized by any of them to make such recommendations. The information concerning the Solicitation in this press release is qualified in its entirety to the full text of the Consent Solicitation Statement and the accompanying Letter of Consent that were previously provided to each Holder, as previously amended and supplemented by the terms of the First Supplement to the Consent Solicitation Statement dated October 26, 2011 and the Second Supplement to the Consent Solicitation Statement dated November 1, 2011 and as further amended and supplemented by the terms of the Third Supplement to the Consent Solicitation Statement dated November 3, 2011 that is being delivered to each Holder today (collectively, the "**Solicitation Materials**"). Reference to those materials should be made for full details of the Solicitation.

This press release does not constitute a solicitation of Consents. The Solicitation is being made solely by the Solicitation Materials. Execution of the supplemental indenture giving effect to the Proposed Amendments is subject to a number of conditions. No assurance can be given that such amendments can or will be completed on terms that are acceptable to the Company, or at all. In addition, in the event that the Prime Financing (as defined in the Solicitation Materials) does not proceed, the Consent Fee will not be payable.

### **About Cara**

Cara is Canada's leading branded full service restaurant organization. The Company is more than 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®. Canadian-owned and led, Cara is the restaurant family that brings Canadians together. For more information, please visit [www.cara.com](http://www.cara.com).

For further information: Media Inquiries For Cara: Katie Clark, (416) 979-1979 / Cell: (416) 200-3394, [Katie.clark@edelman.com](mailto:Katie.clark@edelman.com)

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