

**Table of Contents*****Our historical revenue and AUVs may not be indicative of our future financial performance.***

Our revenue and AUVs have historically been, and will continue to be, affected by, among others, the following factors:

- our ability to execute effectively our business strategy;
- initial sales performance by new restaurants;
- competition;
- consumer and demographic trends, in particular for ethnic foods, and levels of beef consumption; and
- general economic conditions and conditions specific to the restaurant industry.

Existing restaurants may fail to maintain revenue and AUV levels consistent with our historical experience. New restaurants may not reach the historical revenue and AUV levels of our existing restaurants according to our plans, if at all. Any decrease in our revenue or AUVs would negatively affect our financial performance, which could cause the price of our common stock to fluctuate substantially.

***Our future growth depends on our ability to open new restaurants in existing and new markets and to operate these restaurants profitably.***

Our future financial performance will depend on our ability to execute our business strategy—in particular, to open new restaurants on a profitable basis. We currently operate 26 restaurants in the United States, 10 restaurants in Brazil and one joint venture restaurant in Mexico. We plan to open five to six restaurants during Fiscal 2015, which includes our first joint venture restaurant in Mexico City, which opened in May 2015. Over the next five years, we plan to increase our company-owned restaurant count by at least 10% annually, with North America being our primary market for new restaurant development. In addition, we plan to grow in Brazil as well as other international markets, however there is no guarantee that we will be able to increase the number of our restaurants in North America or in international markets. Our ability to successfully open new restaurants is, in turn, dependent upon a number of factors, many of which are beyond our control, including:

- finding and securing quality locations on acceptable financial terms;
- complying with applicable zoning, land use and environmental regulations;
- obtaining, for an acceptable cost, required permits and approvals;
- having adequate financing for construction, opening and operating costs;
- controlling construction and equipment costs for new restaurants;
- weather, natural disasters and disasters beyond our control resulting in delays;
- hiring, training and retaining management and other employees necessary to meet staffing needs; and
- successfully promoting new restaurants and competing in the markets in which these are located.

We continuously review potential sites for future restaurants. Typically, we experience a “start-up” period before a new restaurant achieves our targeted level of operating and financial performance which may include an initial start-up period of sales volatility. In addition, we face higher operating costs caused by start-up costs including higher food, labor and other direct operating expenses and other temporary inefficiencies associated with opening new restaurants. We may also face challenges such as lack of brand recognition, market familiarity and acceptance when we enter new markets.