

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
(Rule 14d-100)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Amendment No.)

NATHAN'S FAMOUS, INC.
(Name of Subject Company)

NATHAN'S FAMOUS, INC.
(Names of Filing Persons - Offeror)

Common Stock, \$.01 Par Value
(Title of Class of Securities)

632347100
(CUSIP Number of Class of Securities)

Eric Gatoff
Chief Executive Officer
Nathan's Famous, Inc.
One Jericho Plaza
Jericho, New York 11753
(516) 338-8500
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Filing Persons)

Copies To:
Steve Wolosky, Esq.
Olshan Grundman Frome Rosenzweig & Wolosky LLP
Park Avenue Tower, 65 East 55th Street
New York, New York 10022
(212) 451-2300

CALCULATION OF FILING FEE:

Transaction Valuation ⁽¹⁾	Amount of Filing Fee ⁽²⁾
\$11,000,000	\$1,260.60

(1) The transaction value is estimated only for purposes of calculating the filing fee. The transaction value was calculated assuming that 500,000 outstanding shares of common stock, par value \$.01 per share, will be purchased at the maximum tender offer price of \$22.00 per share.

(2) The amount of the filing fee, calculated pursuant to Rule 0-11 of the Securities Exchange Act of 1934, as amended, equals \$114.60 per \$1,000,000 of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

Form or Registration No.:

Filing Party:

Date Filed:

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of a tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

INTRODUCTION

This Tender Offer Statement on Schedule TO relates to the offer (the "Offer") by Nathan's Famous, Inc. (the "Company") to purchase up to 500,000 shares of its common stock, \$.01 par value per share, at a price not less than \$20.00 nor greater than \$22.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase for Cash dated December 8, 2011 (the "Offer to Purchase"), a copy of which is attached hereto as Exhibit (a)(1)(A), and in the related Letter of Transmittal (the "Letter of Transmittal"), a copy of which is attached hereto as Exhibit (a)(1)(B). This Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) of the Securities Exchange Act of 1934, as amended. The information contained in the Offer to Purchase and the related Letter of Transmittal is incorporated herein by reference in response to all of the items of this Schedule TO, as more particularly described below.

Item 1. SUMMARY TERM SHEET

The information set forth in the Offer to Purchase under "Summary Term Sheet" is incorporated herein by reference.

Item 2. SUBJECT COMPANY INFORMATION

- (a) The name of the subject company and issuer is Nathan's Famous, Inc., a Delaware corporation. The address of the Company's principal executive office is One Jericho Plaza, Jericho, New York 11753, and its telephone number is (516) 338-8500.
- (b) The information set forth in the Offer to Purchase under "Summary Term Sheet" and under "The Offer, Section 2, Number of Shares; Proration" is incorporated herein by reference. As of December 7, 2011, the Company had issued and outstanding approximately 4,947,964 shares of common stock.
- (c) Information about the trading market and price of the shares and dividends is set forth under "The Offer, Section 9, Price Range of Shares and Stockholders" of the Offer to Purchase and is incorporated herein by reference.

Item 3. IDENTITY AND BACKGROUND OF FILING PERSON

- (a) The Company is the filing person and the subject company. The names of the executive officers and directors of the Company are as follows:

<u>Name</u>	<u>Position with the Company</u>
Eric Gatoff	Chief Executive Officer and Director
Ronald G. DeVos	Vice President - Finance, Chief Financial Officer and Secretary
Howard M. Lorber	Executive Chairman of the Board
Wayne Norbitz	President, Chief Operating Officer and Director

Donald Perlyn	Executive Vice President and Director
Donald P. Schedler	Vice President - Development, Architecture and Construction
Randy K. Watts	Vice President - Franchise Operations
Robert J. Eide	Director
Brian S. Genson	Director
Barry Leistner	Director
A.F. Petrocelli	Director
Charles Raich	Director

The address of the Company and each of the Company's executive officers and directors is One Jericho Plaza, Jericho, New York 11753 and the Company's telephone number is (516) 338-8500. The information set forth in the Offer to Purchase under "The Offer, Section 8, Information Concerning the Company and Purposes of the Offer³/₄Beneficial Ownership of Common Stock by Directors and Executive Officers" and under "The Offer, Section 11, Transactions and Agreements Concerning Shares" is incorporated herein by reference.

Item 4. TERMS OF THE TRANSACTION

- (a) Information about the terms of the transaction under "Summary Term Sheet" and "The Offer, Sections 1 through 14" of the Offer to Purchase is incorporated herein by reference. There will be no material differences in the rights of security holders as a result of this transaction.
- (b) The information set forth in the Offer to Purchase under "The Offer, Section 8, Information Concerning the Company and Purposes of the Offer³/₄Beneficial Ownership of Common Stock by Directors and Executive Officers" and under "The Offer, Section 11, Transactions and Agreements Concerning Shares" is incorporated herein by reference.

Item 5. PAST CONTRACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS

- (e) The information set forth in the Offer to Purchase under "The Offer, Section 11, Transactions and Agreements Concerning Shares" is incorporated herein by reference.

Item 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS

- (a) The information set forth in the Offer to Purchase under "The Offer, Section 8, Information Concerning the Company and Purposes of the Offer³/₄Purposes of the Offer; Certain Effects of the Offer" is incorporated herein by reference.

- (b) The information set forth in the Offer to Purchase under “The Offer, Section 8, Information Concerning the Company and Purposes of the Offer”³⁴Purposes of the Offer; Certain Effects of the Offer” is incorporated herein by reference.
- (c) The information set forth in the Offer to Purchase under “The Offer, Section 8, Information Concerning the Company and Purposes of the Offer”³⁴Purposes of the Offer; Certain Effects of the Offer” is incorporated herein by reference.

Item 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

- (a) The information set forth in the Offer to Purchase under “The Offer, Section 10, Source and Amount of Funds” is incorporated herein by reference.
- (b) Not applicable.
- (d) Not applicable.

Item 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY

- (a) The information set forth in the Offer to Purchase under “The Offer, Section 8, Information Concerning the Company and Purposes of the Offer”³⁴Beneficial Ownership of Common Stock by Directors and Executive Officers” is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase under “The Offer, Section 8, Information Concerning the Company and Purposes of the Offer”³⁴Securities Transactions” is incorporated herein by reference.

Item 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED

- (a) The Company has retained MacKenzie Partners, Inc. (“MacKenzie”) as the Information Agent in connection with the Offer and will pay MacKenzie a fee for its services. In addition, MacKenzie is entitled to reimbursement of its reasonable out-of-pocket expenses. MacKenzie may contact stockholders by mail, telephone, facsimile, telex, telegraph or other electronic means, and may request brokers, dealers, commercial banks, trust companies and other nominee stockholders to forward material relating to the Offer to beneficial owners.

The Company has retained American Stock Transfer & Trust Company, LLC (“AST”) to act as the Depository in connection with the Offer and will pay AST a fee for its services, plus other costs and reimbursement for out-of-pocket expenses.

Each of MacKenzie and AST will be indemnified by the Company against certain liabilities and expenses in connection therewith.

Item 10. FINANCIAL STATEMENTS

Not applicable.

Item 11. ADDITIONAL INFORMATION

- (a)
 - (1) The information set forth in the Offer to Purchase under “The Offer, Section 11, Transactions and Agreements Concerning Shares” of the Offer to Purchase is incorporated herein by reference
 - (2) There are no applicable regulatory requirements or approvals needed for the Offer.
 - (3) Not applicable.
 - (4) Not applicable.
 - (5) None.
- (c) The information in the Offer to Purchase and the related Letter of Transmittal, copies of which are filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively, is incorporated herein by reference.

Item 12. EXHIBITS

The following are attached as exhibits to this Schedule TO:

- (a)
 - (1)
 - (A) Offer to Purchase for Cash, dated December 8, 2011.
 - (B) Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
 - (C) Notice of Guaranteed Delivery.
 - (D) Form of letter to brokers, dealers, commercial banks, trust companies and other nominees.
 - (E) Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees to their clients.
 - (F) Form of letter to stockholders.
 - (5) Press Release dated December 5, 2011. Incorporated by reference to the Schedule TO-C filed by the Company on December 5, 2011.
- (b) Not applicable
- (d)
 - (1) Rights Agreement dated as of June 4, 2008 between the Company and AST. Incorporated by reference to Exhibit 4.2 to the Company’s Current Report on Form 8-K, filed on June 6, 2008.

- (2) Nathan's Famous, Inc. 2001 Stock Option Plan, as amended. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on September 12, 2007.
- (3) Nathan's Famous 2002 Stock Incentive Plan. Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (File No. 333-101355), filed on November 20, 2002.
- (4) Nathan's Famous, Inc. 2010 Stock Incentive Plan. Incorporated by reference to Exhibit A to the Company's Proxy Statement on Schedule 14A, filed on July 23, 2010.
- (5) 10b5-1 Issuer Securities Repurchase Instructions, dated September 10, 2010, between the Company and Mutual Securities, Inc. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on September 10, 2010.
- (6) First Amendment to 10b5-1 Issuer Securities Repurchase Instructions between the Company and Mutual Securities, Inc. dated February 3, 2011. Incorporated by reference to Exhibit 10.1 to Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 26, 2010, filed on February 4, 2011.
- (7) Third Amendment to 10b5-1 Issuer Securities Repurchase Instructions between the Company and Mutual Securities, Inc., dated August 4, 2011. Incorporated by reference to Exhibit 10.39 to Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 26, 2011, filed on August 5, 2011.
- (8) 401K Plan and Trust. Incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 33-56976).
- (9) Employment Agreement, dated as of December 15, 2006 and effective as of January 1, 2007, by and between the Company and Eric Gatoff. Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on December 18, 2006.
- (10) Employment Agreement, dated as of December 15, 2006 and effective as of January 1, 2007, by and between the Company and Howard M. Lorber. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on December 15, 2006.
- (11) Employment Agreement, dated December 28, 1992, by and between the Company and Wayne Norbitz. Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 (File No. 33-56976).
- (12) Amendment, dated November 8, 1993, to the Employment Agreement, dated December 28, 1992, by and between the Company and Wayne Norbitz. Incorporated by reference to Exhibit 10.19 to the Company's Annual Report filed on Form 10-K for the fiscal year ended March 27, 1994.

- (13) Modification Agreement, dated December 31, 1996, to the Employment Agreement, dated December 28, 1992, by and between the Company and Wayne Norbitz. Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report filed on Form 10-Q for the fiscal quarter ended December 29, 1996, filed on February 5, 1997.
 - (14) Employment Agreement, dated as of November 6, 2007 and effective as of May 31, 2007, by and between the Company and Donald L. Perlyn. Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 23, 2007, filed on November 6, 2007.
- (g) None.
 - (h) Not applicable.

Item 13. INFORMATION REQUIRED BY SCHEDULE 13E-3

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

NATHAN'S FAMOUS, INC.

By: /s/ Ronald DeVos
Name: Ronald DeVos
Title: Vice President - Finance and Chief Financial Officer

Date: December 8, 2011

Exhibit Index

- (a) (1) (A) Offer to Purchase for Cash, dated December 8, 2011.
- (B) Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
- (C) Notice of Guaranteed Delivery.
- (D) Form of letter to brokers, dealers, commercial banks, trust companies and other nominees.
- (E) Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees to their clients.
- (F) Form of letter to stockholders.
- (5) Press Release dated December 5, 2011. Incorporated by reference to the Schedule TO-C filed by the Company on December 5, 2011.
- (b) Not applicable
- (d) (1) Rights Agreement dated as of June 4, 2008 between the Company and AST. Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed on June 6, 2008.
- (2) Nathan's Famous, Inc. 2001 Stock Option Plan, as amended. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on September 12, 2007.
- (3) Nathan's Famous 2002 Stock Incentive Plan. Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (File No. 333-101355), filed on November 20, 2002.
- (4) Nathan's Famous, Inc. 2010 Stock Incentive Plan. Incorporated by reference to Exhibit A to the Company's Proxy Statement on Schedule 14A, filed on July 23, 2010.
- (5) 10b5-1 Issuer Securities Repurchase Instructions, dated September 10, 2010, between the Company and Mutual Securities, Inc. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on September 10, 2010.
- (6) First Amendment to 10b5-1 Issuer Securities Repurchase Instructions between the Company and Mutual Securities, Inc. dated February 3, 2011. Incorporated by reference to Exhibit 10.1 to Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 26, 2010, filed on February 4, 2011.

- (7) Third Amendment to 10b5-1 Issuer Securities Repurchase Instructions between the Company and Mutual Securities, Inc., dated August 4, 2011. Incorporated by reference to Exhibit 10.39 to Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 26, 2011, filed on August 5, 2011.
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 - (12) Amendment, dated November 8, 1993, to the Employment Agreement, dated December 28, 1992, by and between the Company and Wayne Norbitz. Incorporated by reference to Exhibit 10.19 to the Company's Annual Report filed on Form 10-K for the fiscal year ended March 27, 1994.
 - (13) Modification Agreement, dated December 31, 1996, to the Employment Agreement, dated December 28, 1992, by and between the Company and Wayne Norbitz. Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report filed on Form 10-Q for the fiscal quarter ended December 29, 1996, filed on February 5, 1997.
 - (14) Employment Agreement, dated as of November 6, 2007 and effective as of May 31, 2007, by and between the Company and Donald L. Perlyn. Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 23, 2007, filed on November 6, 2007.
- (g) None.
- (h) Not applicable.

Offer to Purchase for Cash

by

NATHAN'S FAMOUS, INC.

**Up to 500,000 Shares of its Common Stock
At a Purchase Price not Less than \$20.00 nor Greater Than \$22.00 per Share**

The Offer, Proration Period and Withdrawal Rights will Expire at 12:00 Midnight, Eastern Time, on January 12, 2012, Unless the Offer is Extended

Nathan's Famous, Inc., a Delaware corporation ("we," "us," "our," or the "Company") is offering to purchase for cash (the "Offer"), up to 500,000 shares of its common stock, \$.01 par value, upon the terms and subject to the conditions of this Offer to Purchase and the related Letter of Transmittal. The Offer will commence on December 8, 2011 and terminate at 12:00 Midnight, Eastern Time, on January 12, 2012, or such later date to which the Company may extend the Offer (the "Expiration Date"). Unless otherwise indicated, all references to shares are to shares of our common stock.

On the terms and subject to the conditions of the Offer, we will determine the single per share price, not less than \$20.00 nor greater than \$22.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, that we will pay for shares properly tendered and not properly withdrawn in the Offer, taking into account the total number of shares so tendered and the prices specified by the tendering stockholders. We will select the lowest purchase price within the indicated range that will enable us to purchase 500,000 shares pursuant to the Offer, or such fewer number of shares as are properly tendered and not properly withdrawn prior to the Expiration Date, at a price not less than \$20.00 nor greater than \$22.00 per share. We refer to the purchase price we select within the range indicated for our shares as the "Purchase Price".

THE OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED AND IS NOT CONDITIONED UPON FINANCING. THE OFFER IS, HOWEVER, SUBJECT TO CERTAIN CUSTOMARY CONDITIONS. SEE SECTION 7.

All shares that we acquire in the Offer will be acquired at the Purchase Price, regardless of whether the stockholder tendered at a lower price. We will purchase only shares properly tendered at prices at or below the applicable Purchase Price and not properly withdrawn prior to the Expiration Date of the Offer. However, because of the "small lot" priority, proration and conditional tender provisions described in this Offer to Purchase, we may not purchase all of the shares tendered even if stockholders tendered at or below the Purchase Price, if the Offer is oversubscribed. We will not purchase shares tendered at prices greater than the Purchase Price. Shares tendered but not purchased in the Offer will be returned to the tendering stockholders at our expense promptly after the Expiration Date.

Our shares of common stock are listed and traded on The NASDAQ Global Market ("NASDAQ") under the symbol "NATH." We publicly announced our intention to commence this Offer on December 5, 2011. On December 2, 2011, the last full trading day before the announcement of the Offer, the reported closing price of the shares on NASDAQ was \$19.0999 per share. **Before deciding whether to tender shares, stockholders are urged to obtain current market quotations for the shares.**

A detailed discussion of this Offer is contained in this Offer to Purchase. Stockholders are strongly encouraged to read this entire package of materials, and the publicly filed information about the Company referenced herein, before making a decision regarding this Offer.

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THIS OFFER. HOWEVER, NEITHER THE COMPANY NOR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES, NOR THE INFORMATION AGENT, MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER SOME OR ALL OF YOUR SHARES AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM.

Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase. Any representation to the contrary is a criminal offense.

The Depository for the Offer is:



If delivering by mail:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042**

If delivering by hand or courier:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219**

**Toll-free (877) 248-6417 or (718) 921-8317
Fax: 718 234-5001**

Any questions or requests for assistance or for additional copies of this Offer to Purchase, the accompanying Letter of Transmittal or related documents may be directed to the information agent at its telephone numbers and address below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:



**105 Madison Avenue
New York, New York 10016**

(212) 929-5500 (Call Collect)

or

Call Toll Free: (800) 322-2885

E-mail: tenderoffer@mackenziepartners.com

Offer to Purchase dated December 8, 2011

IMPORTANT PROCEDURES

If you wish to tender all or any part of your shares, you must do one of the following before the Offer expires at 12:00 Midnight, Eastern Time, on January 12, 2012, or such later date and time to which we may extend the Offer:

- (i) complete and sign the related Letter of Transmittal according to the instructions in the Letter of Transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, including your share certificates, to American Stock Transfer & Trust Company, LLC (“AST”), the Depository for the Offer, or (ii) tender the shares according to the procedure for book-entry transfer described in Section 3; or
- request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that nominee and have the nominee tender your shares for you.

If you desire to tender your shares but (1) your share certificates are not immediately available or cannot be delivered to the Depository by the expiration of the Offer, (2) you cannot comply with the procedure for book-entry transfer by the expiration of the Offer, or (3) you cannot deliver the other required documents to the Depository by the expiration of the Offer, you must tender your shares according to the guaranteed delivery procedure described in Section 3.

Stockholders must complete the Letter of Transmittal to affect a valid tender of Shares.

Additional copies of this Offer to Purchase, the Letter of Transmittal and other Offer materials may be obtained from MacKenzie Partners, Inc., the Information Agent for this Offer, and will be furnished at the Company’s expense. Questions and requests for assistance may be directed to the Information Agent at its address and telephone number set forth on the back cover of this Offer to Purchase. Stockholders may also contact their local broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

We are not making the Offer to, and will not accept any tendered shares from, stockholders in any jurisdiction where it would be illegal to do so. However, we may, at our discretion, take any actions necessary for us to make the Offer to stockholders in any such jurisdiction.

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SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights the material terms of the proposed Offer, but you should realize that it does not describe all of the details of the Offer to the same extent described in the body of this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the Offer. We have included references to the sections of this document where you will find a more complete discussion. Unless otherwise indicated, references to shares are to shares of our common stock and not to any other securities.

WHO IS MAKING THE OFFER?

Nathan's Famous, Inc., a Delaware corporation, with principal executive offices at One Jericho Plaza, Jericho, New York 11753, telephone (516) 338-8500.

WHAT ARE WE OFFERING TO PURCHASE?

We are offering to purchase shares of common stock.

WHAT WILL BE THE PURCHASE PRICE FOR THE SHARES?

We are conducting the Offer through a procedure commonly called a modified "Dutch Auction." This procedure allows you to select the price per share (in increments of \$0.25) within a price range specified by us at which you are willing to sell your shares. The price range for the Offer is \$20.00 to \$22.00 per share. We will determine the Purchase Price that we will pay per share promptly after the Expiration Date. The Purchase Price will be the lowest price at which, based on the number of shares tendered and the prices specified by the tendering stockholders, we can purchase 500,000 shares. If fewer shares are properly tendered, we will select the lowest price that will allow us to buy all the shares that are properly tendered and not properly withdrawn prior to the Expiration Date.

The Purchase Price will not be less than \$20.00 nor greater than \$22.00 per share. The lower end of the price range for the Offer is greater than the closing sale price for the shares on December 2, 2011, the last full trading day before the public announcement of the commencement of the Offer, when the closing sale price on NASDAQ for a share was \$19.0999. We will pay the same per share Purchase Price in cash, less any applicable withholding taxes and without interest, for all the shares we purchase in the Offer, even if some of the shares are tendered at a price below the Purchase Price. See Section 2. Under no circumstances will we pay interest on the Purchase Price, even if there is a delay in making payment.

If you wish to maximize the chance that your shares will be purchased in the Offer, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined in the Offer." If you agree to accept the Purchase Price determined in the Offer, your shares will be deemed to be tendered at the minimum price of \$20.00 per share. You should understand that this election could have the effect of decreasing the Purchase Price determined by us, which may result in your shares being purchased at the minimum price per share. See Section 2.

WHAT IS THE MARKET PRICE OF OUR SECURITIES?

Our shares of common stock are listed and traded on The NASDAQ Global Market under the symbol "NATH." On December 2, 2011, the last full trading day before the announcement of the Offer, the reported closing price of the shares on NASDAQ was \$19.0999 per share. See Section 9.

HOW MANY SHARES WILL THE COMPANY PURCHASE IN THE OFFER?

We are offering to purchase up to 500,000 shares or such lesser amount of shares as may be properly tendered and not properly withdrawn, on the terms and subject to the conditions of the Offer. As of December 7, 2011, we had issued and outstanding approximately 4,947,964 shares of our common stock. The 500,000 shares represent slightly in excess of 10% of our outstanding common stock as of December 7, 2011. Subject to certain limitations and legal requirements, we reserve the right to accept for payment, according to the terms and conditions of the Offer, up to an additional 2% of outstanding shares of our common stock (or 98,959 shares). In exercising this right, we may increase the Purchase Price to allow us to purchase all such additional shares. The Offer is not conditioned on any minimum number of shares being tendered. See Section 7.

WHAT WILL HAPPEN IF MORE THAN 500,000 SHARES ARE TENDERED AT OR BELOW THE PURCHASE PRICE?

If more than 500,000 shares are properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date for the Offer, we will purchase shares as follows:

- first, from all holders of "small lots" of less than 500 shares who properly tender all of their shares at or below the Purchase Price and do not properly withdraw them before the Expiration Date for the Offer;
- second, from all other stockholders who properly tender shares at or below the Purchase Price and do not properly withdraw them before the applicable Expiration Date, on a pro rata basis (except for stockholders who tendered shares conditionally if the condition was not satisfied); and
- third, only if necessary to permit us to purchase 500,000 shares, from stockholders who have conditionally tendered shares at or below the Purchase Price and do not properly withdraw them (if the condition was not initially satisfied), by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

Because of the "small lot" priority, proration and conditional tender provisions described above, we may not purchase all of the shares that you tender even if you tender them at or below the Purchase Price. See Section 2.

<p>IF I OWN FEWER THAN 500 SHARES SUBJECT TO THE OFFER AND I TENDER ALL OF MY SHARES, WILL I BE SUBJECT TO PRORATION?</p>	<p>If you beneficially own fewer than 500 shares, in the aggregate, and you properly tender all of these shares at or below the Purchase Price and do not properly withdraw them prior to the Expiration Date for the Offer and you complete the section entitled "Small Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, we will purchase all of your shares without subjecting them to the proration procedure. See Section 2.</p>
<p>WHY IS THE COMPANY MAKING THIS OFFER?</p>	<p>We believe that the repurchase of shares is consistent with our long-term goal of maximizing stockholder value. Our Board of Directors, with the assistance of management and outside advisors, has evaluated our operations, financial condition, capital needs, strategy and expectations for the future and believes that the Offer is a prudent use of certain of our financial resources given our business profile, prospective capital requirements, and the current market price of our shares. Furthermore, we believe the Offer is an efficient means to provide liquidity to our stockholders. The Offer represents the opportunity for us to return cash to stockholders who elect to tender their shares, while at the same time increasing non-tendering stockholders' proportionate interest in us. See Section 8.</p>
<p>HOW WILL THE COMPANY PAY FOR THE SHARES?</p>	<p>We anticipate that we will purchase shares in the Offer, and pay related fees and expenses, with our available cash resources. Financing is not a condition to the Offer. See Section 10.</p>
<p>WHEN DOES THE OFFER EXPIRE?</p>	<p>The Offer will expire at 12:00 Midnight, Eastern Time, on January 12, 2012, unless we extend it. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is possible the nominee has established an earlier deadline for you to act to instruct the nominee to accept the Offer on your behalf. We urge you to contact the broker, dealer, commercial bank, trust company or other nominee to find out their deadline. We may choose to extend the Offer for any reason, subject to applicable laws. We cannot assure you that we will extend the Offer or indicate the length of any extension we may provide. See Section 12.</p>
<p>HOW WILL I BE NOTIFIED IF THE COMPANY EXTENDS, AMENDS OR TERMINATES THE OFFER?</p>	<p>If we decide to extend the Offer, we will issue a press release announcing the extension and the new expiration date by 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date. We will announce any amendment to the Offer by making a public announcement of the amendment. We can terminate the Offer under certain circumstances. See Section 12.</p>
<p>ARE THERE ANY CONDITIONS TO THE OFFER?</p>	<p>While the Offer is not conditioned upon any minimum number of shares being tendered or our receipt of financing, it is subject to customary conditions, such as the absence of court and governmental action prohibiting, challenging or restricting the Offer and the absence of changes in general market conditions or our business that, in our reasonable judgment, are or may be materially adverse to us, as well as other conditions. See Section 7.</p>

ONCE TENDERED, MAY I WITHDRAW MY TENDER?

If you tender shares pursuant to this Offer, you may withdraw your tender at any time until the Expiration Date. If you wish to withdraw your tender, you must deliver, on a timely basis, a written or facsimile notice of your withdrawal to the Depositary at the address appearing on the back cover page of this Offer to Purchase. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of those shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the Depositary or if your shares have been tendered under the procedure for book-entry transfer set forth in Section 3.

WILL THE COMPANY'S DIRECTORS AND EXECUTIVE OFFICERS PARTICIPATE IN THE OFFER?

Our directors and executive officers do not intend to participate in the Offer and do not intend to tender any of their shares.

DO WE RECOMMEND THAT YOU TENDER YOUR SHARES IN THE OFFER?

Our Board of Directors has approved the Offer. However, neither the Company nor any of its directors, officers or employees, nor the Information Agent, makes any recommendation to you as to whether to tender or refrain from tendering your shares. You must make your own decision as to whether to tender some or all of your shares.

HOW DO I TENDER MY SHARES PURSUANT TO THE OFFER?

- 1) You must properly complete and duly execute the Letter of Transmittal and deliver it with your share certificate(s) to the Depositary at the address appearing on the back cover page of this document; or
- 2) The Depositary must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed Letter of Transmittal; or
- 3) You must comply with the guaranteed delivery procedure.

WHEN WILL THE COMPANY PAY FOR THE SHARES I TENDER?

We will pay the applicable Purchase Price to you in cash, less any applicable withholding taxes and without interest, for the shares we purchase promptly after the Expiration Date of the Offer and the acceptance of the shares for payment; provided, however, that, if proration is required, we do not expect to announce the results of the proration and begin paying for tendered shares until up to approximately four (4) business days after the expiration of the Offer. See Section 5.

IF I DECIDE NOT TO TENDER, HOW WILL THE OFFER AFFECT MY SHARES?

Stockholders that choose not to tender their shares will own a greater percentage interest in our outstanding common stock following consummation of the Offer. See Section 8.

WILL I HAVE TO PAY BROKERAGE COMMISSIONS IF I TENDER MY SHARES?

If you are a registered stockholder and you tender your shares directly to the Depositary, you will not incur any brokerage commissions. If you hold shares through a broker, dealer, commercial bank, trust company or other nominee, we recommend that you consult your broker, dealer, commercial bank, trust company or other nominee to determine whether transaction costs are applicable. See Section 3.

WHAT ARE THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IF I TENDER MY SHARES?

Generally, your receipt of cash from us in exchange for tendered shares will be a taxable transaction for United States federal income tax purposes. The cash you receive for your tendered shares will generally be treated for United States federal income tax purposes either as consideration received in respect of a sale or exchange of the shares purchased by us or as a distribution from us in respect of shares. We urge you to consult with your own tax advisor as to the particular tax consequences to you of the Offer. Non-United States Holders (as defined in Section 13) are urged to consult their tax advisors regarding the application of United States federal income tax withholding and backup withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedures.

WHO CAN RESPOND TO QUESTIONS OR PROVIDE ASSISTANCE REGARDING THE OFFER?

Please direct questions or requests for assistance, or for additional copies of this Offer to Purchase, the Letter of Transmittal or other materials, in writing, to the Information Agent, MacKenzie Partners, Inc., at the address appearing on the back cover of this Offer to Purchase.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Offer to Purchase contains certain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical information contained herein are forward-looking statements. These statements may contain projections relating to revenues, earnings, operations, other financial measures, economic conditions, trends and known uncertainties, and may include statements regarding our future performance, strategies and objectives. Representatives of the Company may also make forward-looking statements. Generally, the inclusion of the words “believe,” “expect,” “intend,” “estimate,” “project,” “anticipate,” “will” and similar expressions identify statements that constitute forward-looking statements.

Our forward-looking statements are not meant as, and should not be considered to be, guarantees of future performance or events. Rather, they reflect management’s review, consideration and analysis of available facts and other information regarding the subject matter of the forward-looking statements, and are applicable only as of the dates of such statements. Any forward-looking statement speaks only as of the date on which the statement is made. The Company undertakes no obligation to update or revise any forward-looking statements, or any other information herein, to reflect events or circumstances that arise after the date hereof.

By their nature, all forward-looking statements involve risks and uncertainties, and actual results may differ materially from those contemplated by the forward-looking statements for a number of reasons.

Please refer to our Annual Report on Form 10-K for the year ended March 27, 2011, including Item 1A, “Risk Factors,” in such report, and to our Quarterly Reports on Form 10-Q for the quarters ended June 26, 2011 and September 25, 2011 as well as our other filings with the SEC, for a more detailed discussion of risks and uncertainties. Any forward-looking statement should be read and interpreted together with these other filings. There can be no assurance that the Company has correctly identified and appropriately assessed all factors affecting its business. Additional risks and uncertainties not presently known to the Company or that it currently believes to be immaterial also may adversely affect the Company. Should any risks and uncertainties develop into actual events, these developments could have material adverse effects on the Company’s business, financial condition and results of operations. For these reasons, you are cautioned not to place undue reliance on the Company’s forward-looking statements.

THE OFFER

1. GENERAL TERMS OF THE OFFER

Upon the terms and subject to the conditions set forth in this Offer to Purchase and the Letter of Transmittal, we will purchase 500,000 shares or such lesser amount of shares as may be properly tendered and not properly withdrawn, in accordance with Section 2, before 12:00 Midnight, Eastern Time, on January 12, 2012, the scheduled Expiration Date of the Offer, unless extended, at a Purchase Price not less than \$20.00 nor greater than \$22.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest. Unless otherwise indicated, all references to shares are to shares of our common stock. The Offer will commence on December 8, 2011 and terminate on the Expiration Date, or such later date to which the Company may extend the Offer.

2. NUMBER OF SHARES; PRORATION

Number of Shares. In accordance with the rules of the SEC, we may, and we expressly reserve the right to purchase more than 500,000 shares pursuant to the Offer without amending or extending the Offer, provided that such increase does not result in an increase of our purchase of greater than 2% of the outstanding shares. In the event of an oversubscription of the Offer as described below, shares tendered at prices at or below the Purchase Price for the Offer (determined as provided herein) will be subject to proration, except for Small Lots (as defined below).

If we:

- increase the price to be paid for the shares above \$22.00 per share, or decrease the price to be paid for the shares below \$20.00 per share;
- increase the number of shares being sought in the Offer by more than 2% of our outstanding shares (or 98,959 shares); or
- decrease the number of shares being sought in the Offer; and

in any such case the Offer affected by such increase or decrease is scheduled to expire at any time earlier than the expiration of a period ending on the tenth (10th) business day (as defined below) from, and including, the date that notice of any such increase or decrease is first published, sent or given in the manner specified in Section 12, we will extend the affected Offer until the expiration of such period of ten (10) business days. For the purposes of the Offer, a "business day" means any day other than Saturday, Sunday or a United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, Eastern time.

THE OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED AND IS NOT CONDITIONED UPON FINANCING. THE OFFER IS, HOWEVER, SUBJECT TO CERTAIN CUSTOMARY CONDITIONS. SEE SECTION 7.

Purchase Price. In accordance with Instruction 5 of the Letter of Transmittal, stockholders desiring to tender shares must specify the price or prices, not less than \$20.00 nor greater than \$22.00 per share, at which they are willing to sell their shares to us in the Offer. The lowest price that may be specified for shares is \$20.00. The prices that may be specified for shares increase in increments of \$0.25 up to the highest price that may be specified which is \$22.00 per share. A stockholder who desires to tender shares at more than one price must complete a separate Letter of Transmittal for each price. Alternatively, stockholders desiring to tender shares can choose not to specify a price and, instead, specify that they will sell their shares at the Purchase Price (determined as provided herein) we pay for shares properly tendered and not properly withdrawn pursuant to the Offer, in which case the stockholder will be deemed to have tendered such shares at the minimum price of \$20.00 per share. Choosing the second option will maximize the chance that we will purchase a tendering stockholder's shares, may lower the Purchase Price paid for all purchased shares in the Offer and could result in the tendering stockholder receiving a price per share as low as \$20.00. See Section 9 for recent market prices for our shares of common stock.

TO TENDER SHARES PROPERLY, STOCKHOLDERS MUST SPECIFY THE PRICE THEY ARE WILLING TO ACCEPT FOR THE SHARES THEY TENDER OR, ALTERNATIVELY, SPECIFY THAT THEY WILL SELL THEIR TENDERED SHARES AT THE PURCHASE PRICE FOR SUCH SHARES DETERMINED AS PROVIDED HEREIN. IF YOU SPECIFY MORE THAN ONE PRICE FOR YOUR SHARES IN A SINGLE LETTER OF TRANSMITTAL YOU WILL NOT HAVE VALIDLY TENDERED YOUR SHARES. SEE SECTION 3.

As promptly as practicable following the Expiration Date, we will determine the Purchase Price within the applicable price range that we will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering stockholders. We will select the lowest purchase price within the indicated range that will enable us to purchase 500,000 shares pursuant to the Offer, or such fewer number of shares as are properly tendered and not properly withdrawn in the Offer prior to the Expiration Date. In each case, the Purchase Price will be the net amount payable to the seller in cash, less any applicable withholding taxes and without interest. Shares properly tendered under the Offer at prices at or below the Purchase Price and not properly withdrawn will be purchased at the Purchase Price, upon the terms and subject to the conditions of the Offer, including the small lot priority, proration and conditional tender provisions.

We will not purchase shares tendered at prices greater than the Purchase Price, nor will we purchase shares that we do not accept in the Offer because of "small lot" priority, proration and conditional tender provisions. We will return to the tendering stockholders shares that we do not purchase in the Offer at our expense promptly after the applicable Expiration Date.

Stockholders also can specify the order in which we will purchase shares tendered in the Offer in the event that, as a result of the proration provisions or otherwise, we purchase some but not all of the tendered shares pursuant to the Offer. In the event a stockholder does not designate the order and fewer than all shares are purchased due to proration or otherwise, the Depositary will select the order of shares purchased.

Priority of Purchases. Upon the terms and subject to the conditions of the Offer, if more than 500,000 shares are properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date for the Offer, we will purchase properly tendered and not properly withdrawn shares on the basis set forth below:

- First, upon the terms and subject to the conditions of the Offer, we will purchase all shares tendered by any Small Lot Holder (as defined below) of shares who:
 - o tenders all shares beneficially owned by such Small Lot Holder at a price at or below the Purchase Price (tenders of less than all of the shares owned by such Small Lot Holder will not qualify for this preference); and
 - o completes the section entitled "Small Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

- Second, subject to the conditional tender provisions described in Section 6, we will purchase all other shares properly tendered at prices at or below the Purchase Price and not properly withdrawn on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares, as described below.
- Third, only if necessary to permit us to purchase 500,000 shares from stockholders, shares conditionally tendered and not properly withdrawn (for which the condition requiring us to purchase a specified number of shares was not initially satisfied) at or below the Purchase Price determined in the Offer, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

As a result of the foregoing priorities applicable to the purchase of shares tendered, it is possible that all of the shares that a stockholder tenders in the Offer may not be purchased even if they are tendered at prices at or below the Purchase Price. In addition, if a tender is conditioned upon the purchase of a specified number of shares, it is possible that none of those shares will be purchased even though those shares were tendered at prices at or below the Purchase Price.

Small Lots. The term “Small Lots” means, with respect to the shares, all shares properly tendered prior to the applicable Expiration Date at prices at or below the Purchase Price and not properly withdrawn by any person (a “Small Lot Holder”) who beneficially owned fewer than 500 shares, as the case may be, and so certified in the appropriate place in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

To qualify for the Small Lot preference with respect to the Offer, a Small Lot Holder must tender all shares, as applicable, owned by the Small Lot Holder in accordance with the procedures described in Section 3. Small Lots will be accepted for payment before any proration of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 500 or more shares, even if these holders have separate accounts or certificates representing fewer than 500 shares. By tendering in the Offer, a Small Lot Holder who holds shares in its name and tenders its shares directly to the Depository, would not only avoid the payment of brokerage commissions, but also would avoid any applicable Small Lot discounts in a sale of the holder’s shares. Any Small Lot Holder wishing to tender all of its shares pursuant to the Offer should complete the section entitled “Small Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

Proration. Upon the terms and subject to the conditions of the Offer (including the Small Lot preference discussed above and the conditional tender provisions discussed in Section 6), if more than 500,000 shares are properly tendered at or below the Purchase Price and not properly withdrawn prior to the Expiration Date, we will purchase such properly tendered and not properly withdrawn shares, as the case may be, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares.

If proration of tendered shares is required, we will determine the proration factor for those shares promptly after the Expiration Date of the Offer. Subject to the conditional tender procedures described in Section 6, proration for each stockholder tendering shares will be based on the ratio of the number of shares properly tendered and not properly withdrawn by the stockholder at or below the Purchase Price selected by us to the total number of shares tendered by all stockholders at or below the Purchase Price selected by us. This ratio will be applied to stockholders tendering shares to determine the number of shares that will be purchased from each tendering stockholder in the Offer. Because of the difficulty in determining the number of shares properly tendered, including shares tendered by guaranteed delivery procedures, and not properly withdrawn, and because of the Small Lot priority described above and the conditional tender procedure described in Section 6, we do not expect to be able to announce the final proration factor or commence payment for any shares purchased under the Offer until approximately four (4) business days after the Expiration Date for the Offer. The final results of any proration will be announced by press release promptly after the determination thereof.

As described in Section 3 the number of shares that we will purchase from a stockholder under the Offer may affect the United States federal income tax consequences to that stockholder and, therefore, may be relevant to a stockholder's decision whether or not to tender shares and whether to condition any tender upon our purchase of a stated number of shares held by such stockholder.

This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of shares as of December 8, 2011 and will be furnished to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on our stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

3. PROCEDURE FOR TENDERING STOCKHOLDERS

Proper Tender of Shares. For stockholders to properly tender shares under the Offer:

- the Depositary must receive, at the Depositary's address set forth on the back cover page of this Offer to Purchase, share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer set forth below), together with a properly completed and duly executed Letter of Transmittal, including any required signature guarantees, or an "agent's message," and any other documents required by the Letter of Transmittal, before the Expiration Date, or
- the tendering stockholder must comply with the guaranteed delivery procedure set forth below.

If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely they have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We recommend that you contact your broker, dealer, commercial bank, trust company or other nominee to determine their applicable deadline.

We recommend that stockholders who hold shares through brokers, dealers, commercial banks, trust companies or other nominees consult the brokers, dealers, commercial banks, trust companies or other nominees to determine whether transaction costs are applicable if they tender shares through the brokers, dealers, commercial banks, trust companies or other nominees and not directly to the Depositary.

In accordance with Instruction 5 of the Letter of Transmittal for shares, each stockholder desiring to tender shares pursuant to the Offer must either (1) check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined in the Offer," in which case you will be deemed to have tendered your shares at the minimum price of \$20.00 per share or (2) check one, and only one, of the boxes corresponding to the price at which shares are being tendered in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined by Stockholder." A tender of shares will be proper if one, and only one, of these boxes is checked on the Letter of Transmittal.

If tendering stockholders wish to maximize the chance that we will purchase their shares, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined in the Offer." NOTE THAT SELECTING "SHARES TENDERED AT PRICE DETERMINED IN THE OFFER," MAY LOWER THE PURCHASE PRICE PAID FOR ALL PURCHASED SHARES IN THE OFFER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$20.00 PER SHARE. The lower end of the price range for the offer is greater than the closing sale price for the shares on December 2, 2011, the last full trading day before the public announcement of the commencement of the Offer, when the closing sale price on NASDAQ for a share was \$19.0999.

Stockholders also can specify the order in which we will purchase shares tendered in the Offer in the event that, as a result of the proration provisions or otherwise, we purchase some but not all of the tendered shares pursuant to the Offer. In the event a stockholder does not designate the order and fewer than all shares are purchased due to proration or otherwise, the Depository will select the order of shares purchased.

In order to qualify for the preferential treatment available to Small Lot Holders as set forth above, Small Lot Holders must tender all of their shares and also complete the section titled "Small Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

A stockholder who desires to tender shares at more than one price must complete a separate Letter of Transmittal for each price, provided that a stockholder may not tender the same shares (unless properly withdrawn previously in accordance with Section 4) at more than one price. In the event a stockholder has submitted multiple Letters of Transmittal in order to tender shares at more than one price, a separate notice of withdrawal must be submitted in accordance with the terms of the Offer with respect to each separate Letter of Transmittal in order for such withdrawals to be effective.

TO TENDER SHARE PROPERLY, STOCKHOLDERS MUST CHECK ONE AND ONLY ONE PRICE BOX IN THE APPROPRIATE SECTION OF THE LETTER OF TRANSMITTAL. IF YOU CHECK MORE THAN ONE BOX OR IF YOU FAIL TO CHECK ANY BOX AT ALL YOU WILL NOT HAVE VALIDLY TENDERED YOUR SHARES.

Signature Guarantees. No signature guarantee is required: (1) if the Letter of Transmittal is signed by the registered holder of the shares (which term, for purposes of this Section 3, shall include any participant in DTC, referred to as the "book-entry transfer facility", whose name appears on a security position listing as the owner of the shares) tendered therewith and such holder has not completed either the section entitled "Special Delivery Instructions" or the section entitled "Special Payment Instructions" on the Letter of Transmittal; or (2) if shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution", as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended ("Exchange Act"). If a certificate for shares is registered in the name of a person other than the person executing a proper Letter of Transmittal, or if payment is to be made to a person other than the registered holder, then the certificate must be endorsed or accompanied by an appropriate stock power, in either case signed exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an eligible guarantor institution.

Payment for shares tendered and accepted for payment under the Offer will be made only after timely receipt by the Depository of (1) certificates for such shares or a timely confirmation of the book-entry transfer of such shares into the Depository's account at the book-entry transfer facility as described above, (2) a properly completed and duly executed Letter of Transmittal or a manually signed facsimile thereof, or an agent's message in the case of a book-entry transfer, and (3) any other documents required by the applicable Letter of Transmittal.

Method of Delivery. THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. IF YOU CHOOSE TO DELIVER REQUIRED DOCUMENTS BY MAIL, WE RECOMMEND THAT YOU USE REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED.

Book-Entry Delivery. The Depository will establish an account for the shares at DTC for purposes of the Offer within two (2) business days after the date of this Offer to Purchase. Any financial institution that is a participant in DTC's system may make book-entry delivery of shares by causing DTC to transfer such shares into the Depository's account in accordance with DTC's procedure for such transfer. Even though delivery of shares may be effected through book-entry transfer into the Depository's account at DTC, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantee, or an agent's message in the case of a book-entry transfer, and any other required documentation, must in any case be transmitted to and received by the Depository at its address set forth on the back cover page of this Offer to Purchase prior to the Expiration Date, or the guaranteed delivery procedures set forth herein must be followed. DELIVERY OF THE LETTER OF TRANSMITTAL (OR OTHER REQUIRED DOCUMENTATION) TO DTC DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that we may enforce such agreement against such participant.

United States Federal Backup Withholding Tax. In order to avoid "backup withholding" of U.S. federal income tax on payments of cash pursuant to the Offer, a U.S. stockholder surrendering shares in the Offer must, unless an exemption applies, provide the Depository with such stockholder's correct taxpayer identification number ("TIN") on a Substitute Form W-9, certify under penalties of perjury that such TIN is correct and provide certain other certifications. If a stockholder does not provide such stockholder's correct TIN or fails to provide the required certifications, the Internal Revenue Service (the "IRS") may impose a penalty on such stockholder and payment of cash to such stockholder pursuant to the Offer may be subject to backup withholding of 28%. All stockholders surrendering shares pursuant to the Offer should complete and sign the main signature form and the Substitute Form W-9 included as part of the Letter of Transmittal to provide the information and certification necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Company and the Depository). Certain stockholders (including, among others, corporations) are not subject to backup withholding but may be required to provide evidence of their exemption from backup withholding. Non-U.S. stockholders should complete and sign the main signature form included as part of the Letter of Transmittal and an appropriate Form W-8 (instead of a Substitute Form W-9), a copy of which may be obtained from the Depository, in order to avoid backup withholding. See the Letter of Transmittal.

United States Federal Withholding Tax on Payments to Non-United States Stockholders. Non-United States Stockholders (as defined in Section 13) may be subject to a 30% United States federal withholding tax on payments received pursuant to the Offer. As described in Section 13, a sale of shares pursuant to the Offer may qualify for sale or exchange treatment or may constitute a taxable dividend, depending on a particular stockholders' facts and circumstances. The Depository generally will treat payments made to Non-United States Stockholders pursuant to the Offer as taxable dividends. Accordingly, in compliance with United States federal income tax laws, the Depository will withhold 30% of gross proceeds payable to a Non-United States Stockholder unless the Non-United States Stockholder provides the Depository with (1) a properly executed IRS Form W-8BEN (or other applicable Form W-8) certifying that it is entitled to a reduced rate of withholding under an applicable tax treaty or (2) a properly executed IRS Form W-8ECI certifying that it is exempt from withholding because the payment is effectively connected with the Non-United States Stockholder's conduct of a trade or business in the United States. A Non-United States Holder may be eligible to obtain a refund of all or a portion of any tax withheld if the Non-United States Holder meets the "complete termination", "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in Section 13 that would characterize the exchange as a sale (as opposed to a dividend) with respect to which the Non-United States Holder is not subject to tax or is otherwise able to establish that no tax or a reduced amount of tax is due.

Non-United States Stockholders are urged to consult their tax advisors regarding the application of United States federal income tax withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedures.

Guaranteed Delivery. If a stockholder desires to tender shares into the Offer and the stockholder's share certificates are not immediately available or the stockholder cannot deliver the share certificates to the Depositary before the Expiration Date, or the stockholder cannot complete the procedure for book-entry transfer on a timely basis, or if time will not permit all required documents to reach the Depositary before the Expiration Date, the stockholder may nevertheless tender the shares, provided that the stockholder satisfies all of the following conditions:

- the stockholder makes the tender by or through an eligible guarantor institution;
- the Depositary receives by hand, mail, overnight courier or facsimile transmission, before the Expiration Date, a properly completed and duly executed Notice of Guaranteed Delivery, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in such Notice of Guaranteed Delivery; and
- the Depositary receives the share certificates, in proper form for transfer, or confirmation of book-entry transfer of the shares into the Depositary's account at the book-entry transfer facility, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, and including any required signature guarantees, or an agent's message, and any other documents required by the Letter of Transmittal, within three (3) NASDAQ trading days after the date of receipt by the Depositary of the Notice of Guaranteed Delivery.

Return of Unpurchased Shares. If any tendered shares are not purchased under the Offer or are properly withdrawn before the applicable Expiration Date, or if less than all shares evidenced by a stockholder's certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the Offer or the proper withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering stockholder at the book-entry transfer facility, in each case without expense to the stockholder.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to give Notice of Defects. All questions as to the number of shares to be accepted, the price that we will pay for the shares that we accept and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by us, in our sole discretion, and our determination will be final and binding on all parties (absent manifest error). We reserve the absolute right to reject any or all tenders of any shares that we determine are not in proper form or the acceptance for payment of or payment for which we determine may be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer or any defect or irregularity in any tender; provided that we will not waive any condition of the Offer with respect to a tender unless we waive that condition for all tenders made in the Offer. Our interpretation of the terms of the Offer will be final and binding on all parties. No tender of shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering stockholder or waived by us. None of the Company, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any tender or incur any liability for failure to give any such notification.

Tendering Stockholder's Representation and Warranty; Company Acceptance Constitutes an Agreement. A tender of shares under any of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty to the Company that:

- the stockholder has a net long position in the shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 of the Exchange Act ("Rule 14e-4"), and
- the tender of shares complies with Rule 14e-4.

It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender shares for that person's own account unless, at the time of tender and at the end of the Offer (including any extensions thereof), the person so tendering:

- has a net long position equal to or greater than the amount tendered in the shares, or has securities immediately convertible into, or exchangeable or exercisable for, the shares, and
- will deliver or cause to be delivered the shares in accordance with the terms of the Offer.

Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. Our acceptance for payment of shares tendered under the Offer will constitute a binding agreement between the tendering stockholder and us upon the terms and conditions of the Offer.

Lost or Destroyed Certificates. Stockholders whose share certificate for part or all of their shares has been lost, stolen, misplaced or destroyed may contact AST, the transfer agent for our shares, at (877) 248-6417, for instructions as to obtaining a replacement share certificate. That share certificate will then be required to be submitted together with the Letter of Transmittal in order to receive payment for shares that are tendered and accepted for payment. The stockholder may have to post a bond to secure against the risk that the share certificate may subsequently emerge. We recommend that stockholders whose share certificate has been lost, stolen, misplaced or destroyed contact AST immediately in order to permit timely processing of this documentation.

STOCKHOLDERS MUST DELIVER SHARE CERTIFICATES, TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL, INCLUDING ANY SIGNATURE GUARANTEES, OR AN AGENT'S MESSAGE, AND ANY OTHER REQUIRED DOCUMENTS TO THE DEPOSITARY AND NOT TO THE COMPANY OR THE INFORMATION AGENT. THE COMPANY OR THE INFORMATION AGENT WILL NOT FORWARD ANY SUCH DOCUMENTS TO THE DEPOSITARY, AND DELIVERY TO THE COMPANY OR THE INFORMATION AGENT WILL NOT CONSTITUTE A PROPER TENDER OF SHARES.

4. WITHDRAWAL RIGHTS

Except as this Section 4 otherwise provides, tenders of shares are irrevocable. You may withdraw shares that you have previously tendered in the Offer according to the procedures described below at any time prior to the Expiration Time for all shares. You may also withdraw your previously tendered shares at any time after 12:00 Midnight, Eastern Time, on January 12, 2012, the Expiration Date, unless such shares have been accepted for payment as provided in the Offer.

For a withdrawal to be effective, the Depositary must receive, prior to the Expiration Date, a written or facsimile transmission notice of withdrawal at the Depositary's address set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the tendering stockholder, the number of shares that the stockholder wishes to withdraw and the name of the registered holder of the shares. If the share certificates to be withdrawn have been delivered or otherwise identified to the Depositary, then, before the release of the share certificates, the serial numbers shown on the share certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an eligible guarantor institution, unless the shares have been tendered for the account of an eligible guarantor institution.

If a stockholder has tendered shares under the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with the book-entry transfer facility's procedures.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Company, in its sole discretion, which determination shall be final and binding, subject to the judgments of any courts that might provide otherwise. Neither the Company nor any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification, subject to the judgment of any court.

Withdrawals may not be rescinded, and any shares withdrawn will thereafter be deemed not tendered for purposes of the Offer unless such withdrawn shares are validly retendered prior to the Expiration Date by again following one of the procedures described in Section 3.

5. PURCHASE OF SHARES AND PAYMENT OF PURCHASE PRICE

Upon the terms and subject to the conditions of the Offer, promptly after the Expiration Date, we will determine the Purchase Price we will pay for the shares properly tendered and not properly withdrawn before the Expiration Date of the Offer, taking into account the number of shares so tendered and the prices specified by tendering stockholders, and will accept for payment and pay for, and thereby purchase, shares properly tendered at prices at or below the Purchase Price so determined and not properly withdrawn prior to such Expiration Date.

For purposes of the Offer, we will be deemed to have accepted for payment, and therefore purchased, shares that are properly tendered at prices at or below the Purchase Price that is determined for the shares and are not properly withdrawn, subject to the "Small Lot" priority, proration and conditional tender provisions of the Offer, only when, as and if we give oral or written notice to the Depositary of our acceptance of the shares for payment under the Offer.

Upon the terms and subject to the conditions of the Offer, promptly after the Expiration Date we will accept for payment and pay a single per share Purchase Price not less than \$20.00 nor greater than \$22.00 per share in order to purchase 500,000 shares, subject to increase or decrease as provided in Section 2, if properly tendered and not properly withdrawn, or such fewer number of shares as are properly tendered and not properly withdrawn.

We will pay for shares purchased under the Offer by depositing the aggregate Purchase Price for such shares with the Depository, which will act as agent for tendering stockholders for the purpose of receiving payment from us and transmitting payment to the tendering stockholders.

In the event of proration in connection with the Offer, we will determine the proration factor and pay for those tendered shares accepted for payment pursuant to such Offer promptly after the Expiration Date; however, we do not expect to be able to announce the final results of any proration and commence payment for shares purchased until up to approximately four (4) business days after such Expiration Date. Certificates for all shares tendered and not purchased, including all shares tendered at prices greater than the Purchase Price and shares not purchased due to proration or conditional tender, will be returned to the tendering stockholders, or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant therein who so delivered the shares, at our expense, promptly after the Expiration Date or termination of the Offer without expense to the tendering stockholders. **UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE BE PAID BY THE COMPANY REGARDLESS OF ANY DELAY IN MAKING SUCH PAYMENT.** In addition, if certain events occur prior to the Expiration Date for the Offer, we may not be obligated to purchase shares under the Offer. See Section 7.

We will pay all stock transfer taxes, if any, payable on the transfer to us of shares purchased under the Offer. If, however, payment of the Purchase Price is to be made to any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the Purchase Price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted.

ANY TENDERING STOCKHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY, SIGN AND RETURN TO THE DEPOSITARY THE SUBSTITUTE FORM W-9 INCLUDED WITH EACH LETTER OF TRANSMITTAL (OR OTHERWISE ESTABLISH A VALID EXEMPTION) MAY BE SUBJECT TO FEDERAL INCOME TAX BACKUP WITHHOLDING OF 28% OF THE GROSS PROCEEDS PAID TO THE STOCKHOLDER OR OTHER PAYEE UNDER THE OFFER. SEE SECTION 13.

6. CONDITIONAL TENDER OF STOCKHOLDERS

Subject to the limited exception for holders of Small Lots, in the event of an oversubscription of the Offer, shares tendered at or below the applicable Purchase Price with respect to such shares prior to the applicable Expiration Date will be subject to proration. See Section 2. In order to avoid (in full or in part) possible proration, a stockholder may tender shares subject to the condition that we must purchase a specified minimum number of the stockholder's shares tendered pursuant to a Letter of Transmittal if we purchase any shares tendered. Any stockholder desiring to make a conditional tender must so indicate in the section entitled "Conditional Tenders" in the Letter of Transmittal and indicate the minimum number of shares that we must purchase if we purchase any shares. We urge each stockholder to consult with his or her own financial or tax advisors with respect to such election.

After the applicable Expiration Date, if more than 500,000 shares are properly tendered and not properly withdrawn, so that we must prorate our acceptance of and payment for the tendered shares, we will calculate a preliminary proration percentage with respect to such shares based upon all of such shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of shares that we purchase from any stockholder below the minimum number specified, the shares conditionally tendered will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a stockholder subject to a conditional tender that are withdrawn as a result of proration will be returned at our expense to the tendering stockholder.

After giving effect to these withdrawals, we will accept the remaining shares properly tendered, conditionally or unconditionally. If conditional tenders that would otherwise be regarded as withdrawn would cause the total number of shares that we purchase to fall below 500,000 (or such greater number of shares as we may elect to purchase, subject to applicable law) then, to the extent feasible, we will select enough of the shares conditionally tendered that would otherwise have been withdrawn to permit us to purchase such number of shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular taxpayer as a single lot, and will limit our purchase in each case to the designated minimum number of shares to be purchased. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

7. CERTAIN CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, the Company will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of and the payment for shares tendered, subject to Rule 13e-4(f) under the Exchange Act, if, at any time on or after the date hereof and before the Expiration Date, any of the following events shall have occurred (or shall have been reasonably determined by the Company to have occurred) that, in the Company's reasonable judgment and regardless of the circumstances giving rise to the event or events, make it inadvisable to proceed with the Offer or with acceptance for payment:

- there shall have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic, foreign or supranational, before any court, authority, agency or tribunal that directly or indirectly:
 - o challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain, prohibit or otherwise affect the making or consummation of the Offer, the acquisition of some or all of the shares pursuant to the Offer or otherwise relates in any manner to the Offer;
 - o in our reasonable judgment, could materially and adversely affect our and our subsidiaries' business, condition (financial or otherwise), income, operations or prospects, taken as a whole, or otherwise materially impair our ability to purchase some or all of the Shares pursuant to the Offer;
 - o materially and adversely affect our or our subsidiaries' or our affiliates' business, condition (financial or otherwise), income, operations or prospects;
- there shall have been any action threatened, instituted, pending or taken, including any settlement, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the Offer or the Company or any of its subsidiaries, including any settlement, by any court or any government, authority, agency or tribunal, domestic, foreign or supranational, that, in the Company's reasonable judgment, would or might, directly or indirectly:

- o make the acceptance for payment of, or payment for, some or all of the shares illegal or otherwise restrict or prohibit completion of the Offer; or
- o delay or restrict the ability of the Company, or render the Company unable, to accept for payment or pay for some or all of the shares;
- there shall have occurred:
 - o any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States,
 - o a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory,
 - o a material change in United States or any other currency exchange rates or a suspension of or limitation on the markets therefor,
 - o the commencement or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including but not limited to an act of terrorism,
 - o any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event, or any disruption or adverse change in the financial or capital markets generally or the market for loan syndications in particular, that, in our reasonable judgment, might affect the extension of credit by banks or other lending institutions in the United States,
 - o any change in the general political, market, economic or financial conditions in the United States or abroad that could, in our reasonable judgment, have a material adverse effect on our business, conditions (financial or other), assets, income, operations or prospects or that of any of our subsidiaries or the trading in shares of our common stock, or otherwise materially impair in any way the contemplated future conduct of our business or that of any of our subsidiaries,
 - o in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof,
 - o any change (or condition, event or development involving a prospective change) in the business, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, licenses, results of operations or prospects of us or any of our subsidiaries or affiliates, that, in our reasonable judgment, does or is reasonably likely to have a materially adverse effect on us, our subsidiaries and our affiliates, taken as a whole, or we have become aware of any fact that, in our reasonable judgment, does or is reasonably likely to have a material adverse effect on the value of the shares, or
 - o any decline in the market price of the shares or the Dow Jones Industrial Average or the Standard and Poor's Index of 500 Industrial Companies or the New York Stock Exchange or the Nasdaq Composite Index by a material amount (including, without limitation, an amount greater than 10%) from the close of business on December 2, 2011;

- legislation amending the Internal Revenue Code of 1986, as amended, has been passed by either the U.S. House of Representatives or the Senate or any committee thereof, the effect of which, in our reasonable judgment, would be to change the tax consequences of the transaction contemplated by the tender offer in any manner that would adversely affect us or any of our affiliates or stockholders;
- a tender offer or exchange offer for any or all of the shares (other than this Offer), or any merger, acquisition, business combination or other similar transaction with or involving the Company, or any of its subsidiaries or affiliates, shall have been proposed, announced or made by any person or has been publicly disclosed; or
- we learn that:
 - o any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person has acquired or proposes to acquire beneficial ownership of more than 5% of our outstanding shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the SEC on or before December 2, 2011);
 - o any approval, permit, authorization, favorable review or consent of any governmental entity required to be obtained in connection with the Offer shall not have been obtained on terms satisfactory to us in our reasonable judgment;
 - o any entity, group or person who has filed a Schedule 13D or Schedule 13G with the SEC on or before December 2, 2011, has acquired or proposes to acquire, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than by virtue of the Offer made hereby), beneficial ownership of an additional 2% or more of our outstanding shares;
 - o any person, entity or group has filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire us or any of our shares, or has made a public announcement reflecting an intent to acquire us or any of our subsidiaries or any of our or their respective assets or securities;
 - o any change or changes have occurred or are threatened in our or our subsidiaries' or affiliates' business, condition (financial or otherwise), properties, assets, income, operations or prospects that, in our reasonable judgment, has or could have a material adverse effect on us or any of our subsidiaries or affiliates or the benefits of the Offer to us; or
 - o we determine that the consummation of the Offer and the purchase of the shares may (1) cause the shares to be held of record by fewer than 300 persons, or (2) cause the shares to be delisted from NASDAQ or to be eligible for deregistration under the Exchange Act.

The foregoing conditions are for the sole benefit of the Company and may be waived by the Company, in whole or in part, at any time and from time to time, before the Expiration Date, in its sole discretion. The Company's failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted at any time and from time to time. Any determination or judgment by the Company concerning the events described above will be final and binding on all parties.

8. INFORMATION CONCERNING THE COMPANY AND PURPOSES OF THE OFFER

Information Concerning the Company

We are engaged primarily in the marketing of the "Nathan's Famous" brand and the sale of products bearing the "Nathan's Famous" trademarks through several different channels of distribution. Historically, our business has been the operation and franchising of quick-service restaurants featuring our World Famous Beef Hot Dogs, crinkle-cut French-fried potatoes, and a variety of other menu offerings. Our Company-owned and franchised units operate under the name "Nathan's Famous," the name first used at our original Coney Island restaurant opened in 1916. Our product licensing program began in 1978 by selling packaged hot dogs and other meat products to retail customers through supermarkets or grocery-type retailers for off-site consumption. During fiscal 1998, we introduced our Branded Product Program, which currently enables foodservice retailers and others to sell some of our proprietary products outside of the realm of a traditional franchise relationship. In conjunction with this program, purchasers of our products are granted a limited use of the Nathan's Famous trademark with respect to the sale of the purchased products, including our World Famous Beef Hot Dogs, certain other proprietary food items and paper goods. During fiscal 2008, we launched our Branded Menu Program, which is a limited franchise program, under which foodservice operators may sell a greater variety of Nathan's Famous menu items than under the Branded Product Program.

Our revenues are generated primarily from selling products under our Branded Product Program, operating Company-owned restaurants, franchising our restaurant concept (including the Branded Menu Program) and licensing agreements for the sale of our products within supermarkets and club stores, the sale of our products directly to other foodservice operators and the manufacture of certain proprietary spices by third parties.

In addition to plans for expansion through our Branded Product Program, franchising and licensing, we continue to seek to co-brand within our restaurant system.

At November 20, 2011, our restaurant system consisted of approximately 301 Nathan's franchised units, including 121 Branded Menu units, and five Company-owned units (including one seasonal unit), located in 27 states, the Cayman Islands and six foreign countries.

Our principal executive offices are located at One Jericho Plaza, Jericho, New York 11753, and our telephone number is (516) 338-8500. You may find additional information on our website located at <http://nathansfamous.com>. The information contained on our website or connected to our website is not incorporated by reference into this Offer to Purchase and should not be considered part of this Offer to Purchase.

Purposes of the Offer; Certain Effects of the Offer

Purpose of the Offer. We are making the Offer because we believe that the repurchase of shares is consistent with our long-term goal of maximizing stockholder value. Our Board of Directors, with the assistance of management and outside advisors, has evaluated our operations, financial condition, capital needs, strategy and expectations for the future and believes that the Offer is a prudent use of our financial resources given our business profile, prospective capital requirements, and the current market price of our shares.

We believe that the modified Dutch Auction set forth in this Offer to Purchase represents a mechanism to provide our stockholders who will tender with the opportunity to tender all or a portion of their shares and, thereby, receive a return of their investment if they so elect. The Offer provides stockholders (particularly those who, because of the size of their share holdings, might not be able to sell their shares without potential disruption to the applicable share price) with an opportunity to obtain liquidity with respect to all or a portion of their shares, without potential disruption to the applicable share price and the usual transaction costs associated with market sales. Furthermore, Small Lot Holders who hold shares registered in their names and tender their shares directly to the Depository and whose shares are purchased pursuant to the Offer will avoid any applicable Small Lot discounts that might be payable on sales of their shares.

After the completion of the Offer, we expect to have sufficient cash to meet our cash needs for normal operations and anticipated capital expenditures that may arise.

Certain Effects of the Offer. The Offer presents potential risks and disadvantages to us and our continuing stockholders. The Offer will reduce our “public float,” which is the number of shares owned by non-affiliate stockholders and available for trading in the securities markets, and is likely to reduce the number of our stockholders. These reductions may result in lower or higher stock prices and/or reduced liquidity in the trading market for our shares as well as increased volatility of our share price after completion of the Offer. Future open market purchases, if authorized, would further reduce our public float.

Stockholders who do not tender their shares pursuant to the Offer and stockholders who otherwise retain an equity interest in us as a result of a partial tender of shares or a proration will continue to be owners of us. As a result, those stockholders will likely realize a proportionate increase in their relative equity interest in us and, thus, in our future earnings and assets, if any, and will bear the attendant risks associated with owning our equity securities, including risks resulting from our purchase of shares and our reduced public float.

Shares that the Company acquires pursuant to the Offer will become authorized but unissued shares and will be available for reissuance by the Company without further stockholder action (except as may be required by applicable law or the rules of NASDAQ or any securities exchange on which the shares are listed). Subject to applicable state laws and rules of NASDAQ, such shares could be issued without stockholder approval for, among other things, acquisitions, the raising of additional capital for use in the Company’s business, stock dividends or in connection with stock option plans and other stock incentive plans, or a combination thereof.

We can give no assurance that we will not issue additional shares or other equity interests in the future. Stockholders may be able to sell non-tendered shares in the future on NASDAQ or otherwise, at a net price which may be significantly higher than the purchase price in the offer. We can give no assurance, however, as to the price at which a stockholder may be able to sell his, her or its shares in the future, which price may be higher or lower than the purchase price paid by us in the Offer.

The Company may in the future purchase additional shares on the open market, in private transactions, through tender offers or otherwise. Any such purchases may be on the same terms as, or on terms that are more or less favorable to stockholders than, the terms of the Offer. However, Rule 13e-4 promulgated under the Exchange Act, generally prohibits the Company and its affiliates from purchasing any shares, other than pursuant to the Offer, until at least ten business days after the expiration or termination of the Offer. Any possible future purchases by the Company will depend on several factors including, without limitation, the ability of the Company to make such purchases with cash or investment balances or under its financing agreements in effect at the time, the market price of the shares, the results of the Offer, the Company’s business and financial position and general economic and market conditions.

Board of Directors Approval

On December 1, 2011, the Company's Board of Directors unanimously approved the Offer and the terms and conditions set forth in this Offer to Purchase, the Letter of Transmittal and related documents. However, neither the Company nor any of its directors, officers or employees, nor the Information Agent, makes any recommendation to you as to whether to tender or refrain from tendering your shares. You must make your own decision as to whether to tender some or all of your shares.

Beneficial Ownership of Common Stock by Directors and Executive Officers

The following table sets forth as of December 7, 2011, the beneficial ownership of shares by (i) each of our directors and executive officers who beneficially owns shares of our common stock; and (ii) by all of our directors and executive officers as a group:

Name and Address	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class
Howard M. Lorber	981,600 ⁽²⁾	19.7%
A. F. Petrocelli	146,000 ⁽³⁾	2.9%
Donald L. Perlyn	117,519 ⁽⁴⁾	2.4%
Wayne Norbitz	114,476 ⁽⁵⁾	2.3%
Robert J. Eide	100,053 ⁽⁶⁾	2.0%
Eric Gatoff	100,000 ⁽⁷⁾	2.0%
Brian S. Genson	49,500 ⁽⁸⁾	1.0%
Ronald G. DeVos	44,300 ⁽⁹⁾	*
Charles Raich	30,510 ⁽¹⁰⁾	*
Barry Leistner	25,000 ⁽¹¹⁾	*
Donald P. Schedler	28,360 ⁽¹²⁾	*
Randy K. Watts	19,100 ⁽¹³⁾	*
Directors and officers as a group (12 persons) ⁽¹⁴⁾	1,681,418	31.1%

* Less than 1%

- (1) Except as otherwise indicated, the beneficial owner has sole voting and investment power.
- (2) Includes options exercisable within 60 days to purchase an aggregate of 25,000 shares. Also includes 75,000 shares owned by the Howard M. Lorber Irrevocable Trust, as to which Mr. Lorber disclaims beneficial ownership. Includes 186,500 shares pledged as collateral to secure certain personal indebtedness including under a personal margin account.
- (3) Includes options exercisable within 60 days to purchase 45,000 shares. Includes 48,500 shares owned by United Capital Corp., as to which shares Mr. Petrocelli shares voting and investment power.
- (4) Includes options exercisable within 60 days to purchase 40,000 shares.

- (5) Includes options exercisable within 60 days to purchase 55,000 shares. Includes 3,000 shares held in the estates of Mr. Norbitz's parents, for which he serves as executor.
- (6) Includes options exercisable within 60 days to purchase 25,000 shares and 75,000 shares owned by the Howard M. Lorber Irrevocable Trust, for which Mr. Eide is trustee. Includes 53 shares pledged as collateral to secure certain personal indebtedness including under a personal margin account.
- (7) Consists of options exercisable within 60 days to purchase 100,000 shares.
- (8) Includes options exercisable within 60 days to purchase 45,000 shares.
- (9) Includes options exercisable within 60 days to purchase 30,000 shares.
- (10) Includes 5,510 shares owned by Raich Ende Malter & Co., LLP, of which Mr. Raich is Co-Managing Partner; Mr. Raich shares voting and investment power over such shares. Includes options exercisable within 60 days to purchase 25,000 shares.
- (11) Consists of options exercisable within 60 days to purchase 25,000 shares.
- (12) Includes options exercisable within 60 days to purchase 17,500 shares.
- (13) Includes options exercisable within 60 days to purchase 17,500 shares.
- (14) Consists of 1,231,418 shares beneficially owned by Messrs. Eide, Genson, Lorber, Perlyn, Petrocelli, Raich, Leistner, Norbitz, DeVos, Schedler, Gatoff and Watts without duplication of shares as to which beneficial ownership is shared by more than one member of this group (see notes 2 and 6, above), and 450,000 shares subject to stock options exercisable within 60 days.

Our directors and executive officers do not intend to participate in the Offer and do not intend to tender any of their shares.

Securities Transactions

Based on our records and on information provided to us by our directors, executive officers, affiliates and subsidiaries, neither we nor any of our directors, our executive officers, or our affiliates or our subsidiaries nor, to the best of our knowledge, any person controlling the Company or any executive officer or director of any such controlling entity or of our subsidiaries, has effected any transactions involving shares of our common stock during the 60 days prior to December 7, 2011, except for the following transactions:

- On October 20, 2011, a trust for the benefit of Mr. Genson's son of which Mr. Genson was the trustee transferred 1,567 shares of our common stock to Mr. Genson's son in accordance with the terms of the trust.
- On October 20, 2011, a trust for the benefit of Mr. Genson's daughter of which Mr. Genson was the trustee transferred 1,567 shares of our common stock to Mr. Genson's daughter in accordance with the terms of the trust.

The following chart sets forth the date, number of shares of common stock and price per share (including brokerage commissions) for each transaction in the Company's securities effected by the Company during the past 60 days. Each of the following transactions represents open-market repurchases of the Company's common stock made pursuant to its stock repurchase plan.

Date of Transaction	Number of Shares	Price Per Share (including brokerage commissions)
10/10/2011	100	\$18.67
10/11/2011	25	\$18.67
10/12/2011	937	\$18.74
10/13/2011	500	\$18.99
10/18/2011	683	\$19.03
10/21/2011	1,000	\$18.97
10/24/2011	12,500	\$18.98
10/25/2011	1,241	\$18.98
10/26/2011	1,241	\$18.72
10/27/2011	900	\$18.90
11/02/2011	1,523	\$19.03
11/03/2011	18,500	\$18.95

9. PRICE RANGE OF SHARES AND STOCKHOLDERS

Shares of our common stock are listed and traded on The NASDAQ Global Market under the symbol "NATH." The following table sets forth the high and the low closing sales prices of our common stock as reported on NASDAQ for the periods indicated.

	Closing Share Prices	
	High	Low
Fiscal Year Ending March 25, 2012:		
First Quarter	\$ 18.50	\$ 17.02
Second Quarter	19.35	18.25
Third Quarter*	19.25	18.40
Fiscal Year Ended March 27, 2011:		
First Quarter	\$ 15.81	\$ 14.70
Second Quarter	16.09	15.07
Third Quarter	17.00	15.60
Fourth Quarter	19.32	16.07
Fiscal Year Ended March 28, 2010:		
First Quarter	\$ 14.90	\$ 12.39
Second Quarter	14.75	12.08
Third Quarter	15.35	14.12
Fourth Quarter	15.79	14.70

*Through December 2, 2011.

On December 2, 2011, the last full trading day before the announcement of the Offer, the reported closing price of our shares of common stock on NASDAQ was \$19.0999 per share. **We recommend that holders obtain current market quotations for the shares, among other factors, before deciding whether or not to tender their shares.**

10. SOURCE AND AMOUNT OF FUNDS

The Offer is not conditioned upon financing. We will use our existing working capital to purchase the shares tendered in the Offer. We will also use our existing working capital to pay expenses associated with this Offer, estimated to be approximately \$100,000.

11. TRANSACTIONS AND AGREEMENTS CONCERNING SHARES

Agreements and Arrangements Relating to the Company's Securities

Other than as set forth below, and as set forth in our Certificate of Incorporation, as amended, and Bylaws, neither we nor, to the best of our knowledge, any of our affiliates, directors or executive officers, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the tender offer or with respect to any of our securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees or loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

Information Agent Agreement. In connection with the Offer, MacKenzie Partners, Inc. will receive a fee equal to US \$7,500. In addition, MacKenzie Partners, Inc. is entitled to reimbursement of its reasonable out-of-pocket expenses.

Rights Agreement. On June 4, 2008, we entered into a Rights Agreement with AST, as Rights Agent, whereby our Board of Directors declared a dividend distribution of one common share purchase right (a "Right") for each outstanding share of our common stock. The dividend was paid on June 5, 2008 to the stockholders of record on that date. Each share of common stock issued after that date also carries with it one Right. Each Right, when it becomes exercisable, will entitle the record holder to purchase from us one share of common stock at a purchase price of \$30.00 per share, subject to adjustment, or, if the then-current market price is less than the purchase price then in effect, a number of shares of the Company's common stock which at the time of the transaction has a market value equal to the purchase price. The Rights become exercisable upon the earliest of the following dates: (i) ten (10) days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired, or obtained the right to acquire, beneficial ownership of fifteen percent (15%) or more of the outstanding shares of the Company's common stock, or (ii) ten (10) days (or such later date as may be determined by action of the Board of Directors of the Company prior to such time as any person becomes an Acquiring Person) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer by a person (other than the Company, any wholly-owned subsidiary of the Company or certain employee benefit plans) that, if consummated, would result in such person becoming an Acquiring Person. The Rights expire on June 5, 2013, unless the Rights are previously redeemed or exchanged by the Company. The Rights may be redeemed by us at a price of \$0.0001 per Right.

2001 Plan. In June 2001, the Company adopted the Nathan's Famous, Inc. 2001 Stock Option Plan (the "2001 Plan"), which provides for the issuance of nonqualified stock options to directors, officers and key employees. Up to 350,000 shares of common stock were originally reserved for issuance upon the exercise of options granted and for future issuance in connection with awards under the 2001 Plan. On September 12, 2007, our stockholders approved certain modifications to the 2001 Plan, which increased the number of options available for future grant by 275,000 shares. As of July 19, 2010, there were 168,500 shares available to be issued for future grants which have been included in the Nathan's Famous, Inc. 2010 Stock Incentive Plan.

2002 Plan. In June 2002, the Company adopted the Nathan's Famous, Inc. 2002 Stock Incentive Plan (the "2002 Plan"), which provides for the issuance of nonqualified stock options or restricted stock awards to directors, officers and key employees. Up to 300,000 shares of common stock were originally reserved for issuance in connection with awards under the 2002 Plan. As of July 19, 2010, there were 2,500 shares available to be issued for future grants which have been included in the 2010 Stock Incentive Plan.

2010 Stock Incentive Plan. On September 14, 2010, the Company's stockholders approved the 2010 Stock Incentive Plan, which provides for the issuance of nonqualified stock options, restricted stock, restricted stock units, stock appreciation rights and other stock-based awards to directors, officers and key employees. The Company is authorized to issue up to 150,000 shares of common stock under the 2010 Stock Incentive Plan, together with any shares which had not been previously issued under the 2001 Plan and the 2002 Plan as of July 19, 2010 (171,000 shares), plus any shares subject to any outstanding options or restricted stock grants under the 2001 Plan or the 2002 Plan that were outstanding as of July 19, 2010 and that subsequently expire unexercised, or are otherwise forfeited, up to a maximum of an additional 100,000 shares. The stock to be offered under the 2010 Stock Incentive Plan consists of shares of the Company's common stock, whether authorized but unissued or reacquired. The number of shares issuable and the grant, purchase or exercise price of outstanding awards are subject to adjustment in the amount that the Company's Compensation Committee considers appropriate upon the occurrence of certain events, including stock dividends, stock splits, mergers, consolidations, reorganizations, recapitalizations, or other capital adjustments. In the event that the Company issues restricted stock awards, each share of restricted stock would reduce the amount of available shares by 3.2 shares for each share of restricted stock granted.

Historically, options granted under the Company's stock incentive plans generally have terms of five or ten years and vest over periods of between three and five years. The Company has historically issued new shares of common stock for options that have been exercised and determined the grant date fair value of options and warrants granted using the Black-Scholes option valuation model.

Stock Repurchase Plan. Our Board of Directors has approved a variety of stock repurchase plans under which purchases may be made from time to time, depending on market conditions, in open market or privately-negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the repurchases. On November 3, 2009, our Board of Directors authorized our sixth stock repurchase plan for the purchase of up to 500,000 shares of common stock on behalf of the Company. On February 1, 2011, the Company's Board of Directors authorized a 300,000 share increase in the number of shares that the Company may repurchase pursuant to the sixth repurchase plan. After giving effect to this increase, an aggregate of 407,473 shares can still be purchased under the Company's stock repurchase programs, as of December 7, 2011. During the period from October 2001 through December 7, 2011, the Company has purchased a total of 3,892,527 shares of its common stock at a cost of approximately \$37,019,000 pursuant to its stock repurchase plans previously authorized by the Board of Directors.

On September 10, 2010, the Company entered into a 10b5-1 agreement with Mutual Securities, Inc. ("MSI") pursuant to which MSI, commencing on September 10, 2010, may purchase shares of the Company's common stock having a value of up to an aggregate of \$4.8 million. On February 3, 2011, the Company and MSI amended this agreement to increase the aggregate value to approximately \$7.5 million. This agreement was subsequently amended on August 4, 2011 to extend the termination date from September 19, 2011 to November 15, 2011. As of December 7, 2011, the Company, through MSI, had repurchased shares aggregating \$4,622,000 pursuant to this 10b5-1 agreement.

Other Agreements and Relationships with Executive Officers, Directors, Controlling Persons and Subsidiaries

401(k) Plan. The Company has a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code covering all non-union employees over age 21 who have been employed by the Company for at least one year, including executive officers. Employees may contribute to the plan, on a tax-deferred basis, up to 20% of their total annual salary. Historically, the Company has matched contributions at a rate of \$.25 per dollar contributed by the employee on up to a maximum of 3% of the employee's total annual salary.

Gatoff Employment Agreement. On December 15, 2006, the Company entered into an employment agreement with Eric Gatoff pursuant to which Mr. Gatoff was appointed as Chief Executive Officer. Under the terms of the agreement, Mr. Gatoff agreed to serve as Chief Executive Officer effective from January 1, 2007 until December 31, 2008, which period extends for additional one-year periods unless either party delivers notice of non-renewal no less than 180 days prior to the end of the term then in effect. No such non-renewal notice has been delivered to date.

Pursuant to the agreement, Mr. Gatoff is entitled to receive a base salary, currently \$250,000, subject to review and adjustment, and an annual bonus equal to up to 100% of his base salary, depending upon the Company's achievement of performance goals established and agreed to by the Compensation Committee and Mr. Gatoff for each fiscal year during the employment term. The agreement provides that Mr. Gatoff may participate in employment benefits offered to other Company executives and to receive stock compensation under the Company's stock incentive plans. Under the agreement, Mr. Gatoff is entitled to certain benefits and payments in the event his employment is terminated in certain circumstances. If within one year following a change in control of the Company, as defined in the agreement, Mr. Gatoff's employment is terminated by the Company without cause or by Mr. Gatoff for any reason, Mr. Gatoff will have the right to receive a lump sum cash payment equal to his salary and annual bonus paid or payable to Mr. Gatoff for the most recently completed fiscal year. During and after the contract term, Mr. Gatoff is subject to certain confidentiality, non-solicitation and non-competition provisions in favor of the Company.

Lorber Employment Agreement. On December 15, 2006, the Company entered into an employment agreement with Howard M. Lorber, pursuant to which Mr. Lorber was appointed as Executive Chairman of the Board of Directors. Under the terms of the agreement, Mr. Lorber agreed to serve as Executive Chairman of the Board of Directors effective from January 1, 2007 until December 31, 2012.

Under the agreement, Mr. Lorber is entitled to receive an annual base salary of \$400,000. In addition, Mr. Lorber is entitled to receive bonuses determined by the Company's Compensation Committee, in its discretion. Under the agreement, Mr. Lorber is to receive grants of options to purchase shares of the Company's stock and awards of shares of the Company's stock, either or both as determined by the Company's Compensation Committee, under and in accordance with the terms of applicable plans of the Company and related option and award agreements. Under the agreement, Mr. Lorber is entitled to certain benefits and payments in the event his employment is terminated in certain circumstances. In the event that Mr. Lorber's employment is terminated without cause, he is entitled to receive his salary and bonus for the remainder of the contract term. If within one year following a change in control of the Company, as defined in the agreement, Mr. Lorber's employment is terminated by the Company without cause or by Mr. Lorber for any reason, Mr. Lorber will have the right to receive a lump sum cash payment equal to the greater of (A) his salary and annual bonuses for the remainder of the employment term (including a prorated bonus for any partial fiscal year), which bonus will be equal to the average of the annual bonuses awarded to him during the three fiscal years preceding the fiscal year of termination; or (B) 2.99 times his salary and annual bonus for the fiscal year immediately preceding the fiscal year of termination, as well as a lump sum cash payment equal to the difference between the exercise price of any exercisable options having an exercise price of less than the then current market price of our common stock and such then current market price. Mr. Lorber will also be entitled to continued participation in benefit plans and perquisites until the end of the term. During and after the contract term, Mr. Lorber is subject to certain confidentiality, non-solicitation and non-competition provisions in favor of the Company.

At the end of Mr. Lorber's employment term with the Company by mutual agreement, retirement or due to a change of control, Mr. Lorber will serve as a consultant to the Company for a period of three years, unless his service is earlier terminated in accordance with the terms of the agreement. Mr. Lorber will be entitled to receive annual compensation of \$200,000 for his services as a consultant.

Norbitz Employment Agreement. In December 1992, the Company entered into an employment agreement with Wayne Norbitz, the Company's President, Chief Operating Officer and director, for a term expiring on December 31, 1996. The employment agreement was extended through December 31, 1997, on the original terms and automatically renews for successive one-year periods, unless 180 days' prior written notice is delivered to Mr. Norbitz. No such non-extension notice has been delivered to date.

Pursuant to the agreement, Mr. Norbitz is entitled to receive a base salary, currently \$288,750, to participate in a bonus program for senior management and to participate in any incentive stock ownership or other option programs which may be established by the Company. Under the agreement, the Company will provide Mr. Norbitz with disability insurance providing for payment of a minimum monthly benefit of \$8,620 and life insurance with coverage at least equal to three times his base salary in effect from time to time. Under the agreement, Mr. Norbitz is entitled to certain benefits and payments in the event his employment is terminated in certain circumstances. In the event of a change in control of the Company, as defined in the agreement, Mr. Norbitz will have the right, exercisable within six-months of his becoming aware of such event, to terminate the agreement and receive a lump-sum payment equal to three times his annual base compensation during the most recent fiscal year, less \$100. During and after the contract term, Mr. Norbitz is subject to certain confidentiality, non-solicitation and non-competition provisions in favor of the Company.

Perlyn Employment Agreement. On November 6, 2007, the Company entered into an employment agreement, effective May 31, 2007, with Donald L. Perlyn pursuant to which Mr. Perlyn serves as Executive Vice President of the Company. Under the terms of the agreement, Mr. Perlyn agreed to serve as Executive Vice President effective from May 31, 2007 until September 30, 2008, which period extends for additional one-year periods unless either party delivers notice of non-renewal no less than 180 days prior to the end of the term then in effect. No such non-renewal notice has been delivered to date.

Pursuant to the agreement, Mr. Perlyn is entitled to receive a base salary of \$210,000, subject to review and adjustment, and to participate in any executive bonus program established by the Company from time to time. Under the agreement, the Company will provide Mr. Perlyn with long-term disability insurance providing for payment of a minimum monthly benefit of \$6,896 and life insurance, payable to his designated beneficiary, at least equal to \$1,000,000. Under the agreement, Mr. Perlyn is entitled to certain benefits and payments in the event his employment is terminated in certain circumstances. In the event of a change of control of the Company, as defined in the agreement, the Company will pay Mr. Perlyn, a lump sum equal to three times the amount of his base salary in effect at the time of such event, together with a pro rata portion of the bonus accrued through the date of such change of control. During and after the contract term, Mr. Perlyn is subject to certain confidentiality, non-solicitation and non-competition provisions in favor of the Company.

Related Party Transactions. In fiscal 2011, 2010 and 2009, Raich Ende Malter & Co., LLP, of which Charles Raich, a member of the Company's Board of Directors, is Co-Managing Partner, provided tax services to the Company resulting in fees of approximately \$140,000, \$149,000 and \$146,000, respectively.

A firm to which Mr. Lorber serves as a consultant (and, prior to January 2005, as the Chairman), and the firm's affiliates, received ordinary and customary insurance commissions aggregating approximately \$25,000, \$13,000 and \$15,000 for the fiscal years ended March 27, 2011, March 28, 2010 and March 29, 2009, respectively.

12. EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENTS; CONDITIONS

We expressly reserve the right, in our sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be determined by us to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, shares by giving oral or written notice of such extension to the Depositary and making a public announcement of such extension. We also expressly reserve the right, in our sole discretion, to terminate the Offer and not accept for payment or pay for shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 hereof by giving oral or written notice of such termination or postponement to the Depositary and making a public announcement of such termination or postponement. Our reservation of the right to delay payment for shares which we have accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that we pay the consideration offered or return the shares tendered promptly after termination or withdrawal of the Offer.

Subject to compliance with applicable law, we further reserve the right, in our sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to amend the Offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the Offer to holders of shares or by decreasing or increasing the number of shares that we seek to purchase in this Offer. Amendments to the Offer may be made at any time and from time to time effected by public announcement, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Date. Any public announcement made under the Offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of such change. Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through a national newswire service.

If we change the terms of the Offer or the information concerning the Offer, we will extend the Offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a Offer must remain open following material changes in the terms of the Offer or information concerning the Offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If the Company (1) increases the price to be paid for the shares above \$22.00 per share, decreases the price to be paid for the shares below \$20.00 per share, decreases the number of shares being sought in the Offer or increases the number of shares being sought in the Offer by more than 2% of our outstanding shares, and (2) the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 12, the Offer will be extended until the expiration of such period of ten business days.

13. **U.S. FEDERAL INCOME TAX CONSEQUENCES**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE; (B) THE ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTION OR THE MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of material United States federal income tax consequences of the Offer to stockholders whose shares are properly tendered and accepted for payment pursuant to the Offer. Those stockholders who do not participate in the Offer should not have any United States federal income tax consequences as a result of the Offer. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed United States Treasury Regulations promulgated under the Code, published rulings, administrative pronouncements and judicial decisions, all as of the date hereof and any changes to which could affect the tax consequences described in this Offer to Purchase (possibly on a retroactive basis). This summary addresses only shares held as capital assets. It does not address all of the tax consequences that may be relevant to particular stockholders because of their personal circumstances (including, without limitation, certain financial institutions, brokers, dealers or traders in securities or commodities, insurance companies, "S" corporations, partnerships (including entities treated as partnerships for United States federal incomes tax purposes), expatriates, tax-exempt organizations, tax-qualified retirement plans, persons who are subject to alternative minimum tax, persons who hold shares as a position in a "straddle" or as part of a "hedging," "conversion" or "integrated" transaction, or United States Holders (as defined below) that have a functional currency other than the United States dollar). This summary also does not address tax considerations arising under any state, local or foreign laws, or under United States federal estate or gift tax laws.

In addition, if a partnership (including any entity treated as a partnership for United States federal income tax purposes) is a stockholder, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A stockholder that is a partnership, and partners in such partnership, should consult their own tax advisors regarding the tax consequences of participating in the Offer.

For purposes of this summary, a "United States Holder" is a beneficial owner of shares that for United States federal income tax purposes is any of the following:

- a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any State or the District of Columbia;

- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons has the authority to control all substantial decisions of the trust, or certain other trusts considered United States Holders for United States federal income tax purposes.

A “Non-United States Holder” is a beneficial owner of shares, other than a partnership or other entity treated as a partnership for United States federal income tax, who is not a United States Holder.

Stockholders should consult their own tax advisors to determine the particular tax consequences to them of participating in the Offer, including the applicability and effect of any state, local or foreign tax laws.

Consequences of the Offer to United States Holders

Characterization of the Purchase—Distribution vs. Sale Treatment. Our purchase of shares from a United States Holder pursuant to the Offer will be a taxable transaction for United States federal income tax purposes.

As a consequence of any such purchase, a United States Holder will, depending on the United States Holder’s particular circumstances, be treated either as having sold the shares or as having received a distribution in respect of such United States Holder’s shares.

We cannot predict whether any particular United States Holder will be subject to sale or distribution treatment.

Section 302 Tests—Determination of Sale or Distribution Treatment.

Our purchase of shares pursuant to the Offer will be treated as a sale of the shares by a United States Holder if any of the following Section 302 tests is satisfied:

- as a result of the purchase, there is a “complete redemption” of the United States Holder’s equity interests in us;
- as a result of the purchase, there is a “substantially disproportionate” reduction in the United States Holder’s equity interest in us; or
- the receipt of cash by the United States Holder is “not essentially equivalent to a dividend.”

As indicated above, if none of these tests is met with respect to a particular United States Holder, then our purchase of shares pursuant to the Offer will be treated as a distribution. In applying the Section 302 tests, the constructive ownership rules of Section 318 of the Code generally apply. Under the constructive ownership rules, a United States Holder will be considered to own shares of our common stock owned, directly or indirectly, by certain members of the holder’s family and certain entities (such as corporations, partnerships, trust and estates) in which the United States Holder has an equity interest, as well as certain shares of our common stock which the United States Holder has an option to acquire.

- **Complete Redemption.** The purchase of shares pursuant to the Offer will result in a “complete redemption” of a United States Holder’s equity interest in the Company, if, immediately after such purchase, such holder owns, actually and constructively, no shares of our common stock. In applying the “complete redemption” test, a United States Holder may be able to waive the application of constructive ownership through the family attribution rules, provided that such holder complies with the provisions of Section 302(c) of the Code and applicable Treasury Regulations. A United States Holder wishing to satisfy the “complete redemption” test through satisfaction of the special conditions set forth in Section 302(c) of the Code should consult their tax advisors concerning the mechanics and desirability of those conditions. A United States Holder who holds shares or options to acquire shares of our common stock will be treated as the constructive owner of such shares of our common stock, and therefore will not be eligible for “complete redemption” treatment.

- **Substantially Disproportionate.** In general, our purchase of a United States Holder's shares pursuant to the Offer will be "substantially disproportionate" as to a United States Holder if, immediately after the purchase, the percentage of the outstanding shares of our common stock that the United States Holder actually and constructively owns (including shares of our common stock constructively owned as a result of the ownership of options) is less than 80% of the percentage of the outstanding shares of our common stock actually and constructively owned by the United States Holder immediately before the purchase.
- **Not Essentially Equivalent to a Dividend.** Our purchase of a United States Holder's shares pursuant to the Offer will be treated as "not essentially equivalent to a dividend" if it results in a "meaningful reduction" in the United States Holder's proportionate interest in us, given the United States Holder's particular facts and circumstances. The IRS has indicated in a published ruling that even a small reduction in the percentage interest of a stockholder whose relative stock interest in a publicly held corporation is minimal and who exercises no control over corporate affairs should constitute a "meaningful reduction." A United States Holder who intends to qualify for sale treatment by demonstrating that the proceeds received from us are "not essentially equivalent to a dividend" are strongly urged to consult their tax advisor because this test will be met only if the reduction in such holder's proportionate interest in us is "meaningful" given the particular facts and circumstances of the holder in the context of the Offer. In particular, depending on the total number of shares purchased pursuant to the Offer, it is possible that a tendering stockholder's percentage interest in us (including any interest attributable to shares of our common stock constructively owned by the stockholder as a result of the ownership of shares or options) could increase even though the total number of shares of our common stock beneficially owned by such stockholder decreases.

If a United States Holder sells shares to persons other than us, gain or loss recognized on such sales will be capital gain or loss and will be long-term capital gain or loss if the holder held the shares for more than one year at the date of the sale. If such sale occurs at or about the time such holder also sells shares pursuant to the Offer, and the various sales effected by the United States Holder are part of an overall plan to reduce or terminate such holder's proportionate interest in us, then the sales to persons other than us may, for United States federal income tax purposes, will be integrated with the United States Holder's sale of shares pursuant to the Offer and, if integrated, should be taken into account in determining whether such holder satisfies any of the Section 302 tests with respect to shares sold to us.

If a stockholder does not satisfy any of the Section 302 tests, the purchase will not be treated as a sale or exchange and the amount received by the stockholder from us will be treated as a dividend to the United States Holder to the extent of the United States Holder's share of our current and accumulated earnings and profits, if any, as determined under United States federal income tax principles. Such a dividend would be includible in the United States Holder's gross income without reduction for the tax basis of the shares sold, and no current loss would be recognized. Currently, if certain holding period and other requirements are met, dividends are taxable at a maximum rate for individual United States Holders of 15%, which is the same as the maximum tax rate for long-term capital gains. To the extent that the amount received by a United States Holder exceeds the United States Holder's share of our current and accumulated earnings and profits, the excess first will be treated as a tax-free return of capital to the extent, generally, of the United States Holder's tax basis in its shares of our common stock and any remainder will be treated as capital gain from the sale of the shares. To the extent that a purchase of a United States Holder's shares by us in the Offer is treated as the receipt of a dividend, the United States Holder's remaining adjusted tax basis (after the adjustment as described in the preceding sentence) in the purchased shares will be added to any shares of our common stock retained by the United States Holder, subject to certain adjustments in the case of a corporate stockholder.

To the extent that a corporate United States Holder is treated as receiving a dividend, as described above, it may be eligible for a dividends received deduction (subject to applicable limitations). In addition, any amount received by a corporate United States Holder that is treated as a dividend may constitute an “extraordinary dividend” under Section 1059 of the Code, thereby resulting in a reduction of tax basis or possible gain recognition in any amount equal to the non-taxed portion of the dividend. If an individual, trust or estate receives an extraordinary dividend with respect to a share of stock eligible for the reduced qualified dividend rates under current law, a subsequent loss of the share will be characterized as long-term capital loss to the extent of such dividend. United States Holders should consult their own tax advisors as to the application of the provisions of the Code to the Offer and the tax consequences of dividend treatment of the purchase of shares pursuant to this Offer in their particular circumstances.

See Section 3 with respect to the application of U.S. federal backup withholding tax to payments made pursuant to the Offer.

Consequences of the Offer to Non-United States Holders

The United States federal income tax treatment of our purchase of shares from a Non-United States Holder pursuant to the Offer will depend on whether such holder is treated, based on the Non-United States Holder’s particular circumstances, as having sold the shares or as having received a distribution in respect of such Non-United States Holder’s shares. The appropriate treatment of the purchase of shares will be determined in the manner described above with respect to the United States federal income tax treatment of a purchase of shares pursuant to the Offer in the case of United States Holders (see “Consequences of the Offer to United States Holders—Section 302 Tests—Determination of Sale or Distribution Treatment”).

A Non-United States Holder that satisfies any of the Section 302 tests explained above will be treated as having sold the shares purchased by us pursuant to the Offer. A Non-United States Holder will generally not be subject to United States federal income tax (and would be eligible to obtain a refund of any amounts withheld as described below) on gain recognized on a sale of shares unless any one or more of the following is true:

- the gain is effectively connected with a trade or business of the Non-United States Holder in the United States and, if certain tax treaties apply, is attributable to a permanent establishment in the United States maintained by such holder;
- in the case of an individual Non-United States Holder who holds the stock as a capital asset, the individual is present in the United States for 183 days in the taxable year of the disposition and certain other conditions are met; or

- in the case of a Non-United States Holder who owns or has owned, directly or indirectly, during the relevant statutory period more than 5% of our stock, we are or have been a “United States real property holding corporation” and certain other requirements are met.

We do not believe that we have been or currently are a “United States real property holding corporation.” Individual Non-United States Holders who are treated, for United States federal income tax purposes, as having sold their shares to us pursuant to the Offer and that are present in the United States for 183 days or more during the year will be taxed on their gains from the sale of the shares, net of applicable United States gains and losses from sale or exchanges of other capital assets incurred during the year, at a flat rate of 30%. Non-United States Holders who are treated as having sold their shares to us pursuant to the Offer and that are subject to United States federal income tax on such sale (as described above) generally will be taxed on such sale in the same manner in which a United States Holder would be taxed.

If a Non-United States Holder does not satisfy any of the Section 302 tests explained above, the full amount received by the Non-United States Holder with respect to our purchase of shares under the Offer will be treated as a distribution to the Non-United States Holder with respect to the Non-United States Holder’s shares of our common stock. The treatment, for United States federal income tax purposes, of such distribution as a dividend, a tax-free return of capital, or as a capital gain from the sale of shares will be determined in the manner described above with respect to the United States federal income tax treatment of a purchase of shares pursuant to the Offer in the case of United States Holders (see “Consequences of the Offer to United States Holders—Characterization of the Purchase—Distribution vs. Sale Treatment”). As described more fully below, to the extent amounts received by a Non-United States Holder are treated as a dividend, such Non-United States Holder will be subject to withholding.

Withholding For Non-United States Holders. Because, as described above, we cannot predict whether any particular stockholder will be subject to sale or distribution treatment, the Depositary generally will treat the cash received by a Non-United States Holder participating in the Offer as a dividend distribution from us. Accordingly, the Depositary generally will withhold United States federal income tax equal to 30% of the gross proceeds payable to the Non-United States Holder or his or her agent, unless (i) an exemption from, or a reduced rate of, withholding tax is available under a tax treaty or such gross proceeds are effectively connected with the conduct of a trade or business of the Non-United States Holder within the United States and (ii) the stockholder so certifies on the appropriate IRS Form W-8 as described below. In order to obtain a reduced rate of withholding under a tax treaty, a Non-United States Holder must deliver to the Depositary before the payment a properly completed and executed IRS Form W-8BEN and/or W-8IMY. In order to obtain an exemption from withholding on the grounds that the gross proceeds paid under the Offer are effectively connected with the conduct of a trade or business within the United States, a Non-United States Holder must deliver to the Depositary a properly completed and executed IRS Form W-8ECI. If tax is withheld, a Non-United States Holder may be eligible to obtain a refund of all or a portion of such tax withheld if such Non-United States Holder satisfies one of the Section 302 tests described above or is otherwise able to establish that no withholding or a reduced amount of withholding is due. Backup withholding generally will not apply to amounts subject to the 30% or treaty-reduced rate of United States federal income tax withholding.

NON-UNITED STATES HOLDERS MAY BE SUBJECT TO INCOME TAX ON THE SALE OF SHARES PURSUANT TO THE OFFER, EVEN IF SUCH HOLDERS WOULD NOT BE SUBJECT TO TAX IF THOSE SAME SHARES WERE SOLD ON THE OPEN MARKET. IN ADDITION, NON-UNITED STATES HOLDERS MAY BE SUBJECT TO A 30% WITHHOLDING TAX ON THE SALE OF SHARES PURSUANT TO THE OFFER, EVEN IF THE TRANSACTION IS NOT SUBJECT TO INCOME TAX. NON-UNITED STATES HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE UNITED STATES TAX CONSEQUENCES OF PARTICIPATION IN THE OFFER, INCLUDING THE APPLICATION OF UNITED STATES FEDERAL INCOME TAX WITHHOLDING RULES, ELIGIBILITY FOR A REDUCTION OF OR AN EXEMPTION FROM WITHHOLDING TAX, AND THE REFUND PROCEDURE.

Information Reporting and Backup Withholding.

Under the United States federal income tax laws, the Depositary will be required to backup withhold at the applicable statutory rate (currently 28%) on the Purchase Price paid to certain stockholders (who are not “exempt” recipients) pursuant to the Offer. To avoid such backup withholding, each such United States Holder must provide the Depositary with such stockholder taxpayer identification number and certify that such stockholder is not subject to backup withholding by completing the Substitute Form W-9 in the Letter of Transmittal, or otherwise establish to the satisfaction of the Depositary that such stockholder is not subject to backup withholding. Certain “exempt” recipients (including, among others, all corporations and certain Non-United States Holders) are not subject to these backup withholding requirements. For a Non-United States Holder to qualify for such exemption, such Non-United States Holder must submit an IRS Form W-8BEN (or other applicable IRS form), signed under penalties of perjury, attesting to such Non-United States Holding’s exempt status.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be refunded or credited against the stockholder’s United States federal income tax liability if certain required information is furnished to the IRS. Stockholders should consult their own tax advisors regarding application of backup withholding in their particular circumstances and the availability of, and procedure for obtaining, an exemption from backup withholding under current Treasury Regulations.

THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.

14. ADDITIONAL INFORMATION; MISCELLANEOUS

We filed with the SEC a Tender Offer Statement on Schedule TO, of which this Offer is a part. This Offer does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. We recommend that stockholders review the Schedule TO, including the exhibits, and the other materials we have filed with the SEC before making a decision on whether to accept the Offer.

We will assess whether we are permitted to make the Offer in all jurisdictions. If we determine that we are not legally able to make the Offer in a particular jurisdiction, we reserve the right to withdraw the Offer in that particular jurisdiction and we will inform stockholders of this decision. If we withdraw the Offer in a particular jurisdiction, the Offer will not be made to, nor will tenders be accepted from or on behalf of, the holders residing in that jurisdiction.

Our Board of Directors recognizes that the decision to accept or reject this Offer is an individual one that should be based on a variety of factors and stockholders should consult with personal advisors if holders have questions about their financial or tax situation.

We are subject to the information requirements of the Exchange Act and in accordance therewith we file and furnish reports and other information with the SEC. All reports and other documents we have filed or furnished with the SEC, including the Schedule TO relating to the Offer, or will file or furnish with the SEC in the future, can be read and copied at the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. You may also obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. You may also inspect such filings on the Internet website maintained by the SEC at www.sec.gov.

The rules of the SEC allow us to “incorporate by reference” information into this Offer to Purchase, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The following documents contain important information about us and we incorporate them herein by reference:

- Our Annual Report on Form 10-K for the year ended March 27, 2011;
- Our Quarterly Report on Form 10-Q for the quarter ended June 26, 2011;
- Our Current Report on Form 8-K, filed September 15, 2011; and
- Our Quarterly Report on Form 10-Q for the quarter ended September 25, 2011.

Any statement contained in any document incorporated by reference into this Offer to Purchase shall be deemed to be modified or superseded to the extent that an inconsistent statement is made in this Offer to Purchase or any subsequently filed document referenced above. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

Stockholders can obtain any of the documents incorporated by reference in this Offer to Purchase from us or from the SEC’s web site at the address described above. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents. Stockholders can obtain documents incorporated by reference in this Offer to Purchase by requesting them in writing or by telephone from us at One Jericho Plaza, Jericho, New York 11753; telephone: (516) 338-8500. Any stockholder requesting information should be sure to include his or her complete name and address in the request.

Sincerely,

/s/ Eric Gatoff
Eric Gatoff
Chief Executive Officer
Nathan’s Famous, Inc.

December 8, 2011

The Depository for the Offer is:



If delivering by mail:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042**

If delivering by hand or courier:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219**

**Toll-free (877) 248-6417 or (718) 921-8317
Fax: 718 234-5001**

Please direct any questions or requests for assistance and requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery to the Information Agent at the telephone number and address set forth below. Stockholders also may contact their broker, dealer, commercial bank, trust company or nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

**MACKENZIE
PARTNERS, INC.**

**105 Madison Avenue
New York, New York 10016**

(212) 929-5500 (Call Collect)

or

Call Toll Free: (800) 322-2885

E-mail: tenderoffer@mackenziepartners.com

LETTER OF TRANSMITTAL

TO TENDER SHARES OF COMMON STOCK
OF
NATHAN'S FAMOUS, INC.

PURSUANT TO THE OFFER TO PURCHASE FOR CASH
DATED DECEMBER 8, 2011

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, EASTERN TIME, ON
JANUARY 12, 2012, UNLESS EXTENDED (THE "EXPIRATION DATE").

The Depositary for the Offer is:



If delivering by mail:

American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042

If delivering by hand or courier:

American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219

Toll-free (877) 248-6417 or (718) 921-8317
Fax: 718 234-5001

DESCRIPTION OF SHARES TENDERED

Name(s) and Address(es) of Registered Holder(s): (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s))	Certificate(s) Tendered (Attach and sign additional list if necessary)		
	Certificate Number(s)*	Number of Shares Represented by Certificates(s)	Number of Shares Tendered**
	Total Shares Tendered		

Indicate below the order (by certificate number) in which shares are to be purchased in the event of proration. If you do not designate an order, if less than all shares tendered are purchased due to proration, shares will be selected for purchase by the Depository. You are not required to complete this box.
 1st _____ 2nd _____ 3rd _____ 4th _____ 5th _____

- * Do not need to complete if shares are delivered by book-entry transfer.
- ** If you desire to tender fewer than all shares evidenced by any certificate(s) listed above, please indicate in this column the number of shares you wish to tender. Otherwise, all shares evidenced by such certificate(s) will be deemed to have been tendered. See Instruction 4.

You must deliver this Letter of Transmittal to American Stock Transfer & Trust Company, LLC, the Depository. Delivery of this Letter of Transmittal to an address other than one of those set forth above will not constitute a valid delivery. Deliveries to Nathan’s Famous, Inc. (the “Company”), or MacKenzie Partners, Inc. (the Information Agent for the Offer) will not be forwarded to the Depository and, therefore, will not constitute valid delivery to the Depository. Delivery of the Letter of Transmittal and any other required documents to the book-entry transfer facility at the Depository Trust Company (“DTC,” which is herein referred to as the “book-entry transfer facility”) will not constitute delivery to the Depository.

You should use this Letter of Transmittal if you are forwarding certificates for shares herewith or if you are causing the shares to be delivered by book-entry transfer to the Depository’s account at DTC pursuant to the procedures set forth in Section 3, “Procedure for Tendering Stockholders” section of the Offer to Purchase. Only financial institutions that are participants in the book-entry transfer facility’s system may make book-entry delivery of the shares.

BEFORE COMPLETING THIS LETTER OF TRANSMITTAL, YOU SHOULD READ THIS LETTER OF TRANSMITTAL AND THE ACCOMPANYING INSTRUCTIONS CAREFULLY.



You should use this Letter of Transmittal only if (1) you are also enclosing certificates for the shares you desire to tender, or (2) you intend to deliver certificates for such shares under a notice of guaranteed delivery previously sent to the Depository, or (3) you are delivering shares through a book-entry transfer into the Depository's account at DTC (i.e., the book-entry transfer facility) in accordance with Section 3, "Procedure for Tendering Stockholders" section of the Offer to Purchase.

If you desire to tender shares in the Offer, but you cannot deliver the certificates for your shares and all other required documents to the Depository by the Expiration Date (as set forth in the Offer to Purchase), or cannot comply with the procedures for book-entry transfer on a timely basis, then you may tender your shares according to the guaranteed delivery procedures set forth in Section 3, "Procedure for Tendering Stockholders" section of the Offer to Purchase. See Instruction 2. Delivery of the Letter of Transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the Depository.

Check here if you are delivering tendered shares pursuant to a notice of guaranteed delivery that you previously sent to the Depositary and complete the following:

Names(s) of Tendering Stockholder(s):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution that Guaranteed Delivery:

Check here if you are a financial institution that is a participating institution in the book-entry transfer facility's system and you are delivering the tendered shares by book-entry transfer to an account maintained by the Depositary at the book-entry transfer facility, and complete the following:

Names(s) of Tendering Institution:

Account Number:

Transaction Code Number:

**NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL,
INCLUDING THE ACCOMPANYING INSTRUCTIONS, CAREFULLY**

Ladies and Gentlemen:

The undersigned hereby tenders to Nathan's Famous, Inc., a Delaware corporation (the "Company"), the above-described shares of common stock, \$.01 par value, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 8, 2011 and in this Letter of Transmittal (which together, as they may be amended and supplemented from time to time, constitute the "Offer"). Unless otherwise indicated, all references to shares are to shares of the Company's common stock. The Company is inviting its stockholders to tender their shares for a price per share not less than \$20.00 nor greater than \$22.00 (the "Purchase Price") net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions of the Offer. Receipt of the Offer to Purchase is hereby acknowledged.

Subject to and effective upon acceptance for payment of, and payment for, shares tendered with this Letter of Transmittal in accordance with the terms of the Offer, the undersigned hereby (1) sells, assigns and transfers to or upon the order of the Company all right, title and interest in and to all of the shares tendered hereby which are so accepted and paid for; (2) orders the registration of any shares tendered by book-entry transfer that are purchased under the Offer to or upon the order of the Company; and (3) appoints the Depository as attorney-in-fact of the undersigned with respect to such shares, with the full knowledge that the Depository also acts as the agent of the Company, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to perform the following functions:

- (a) deliver certificates for shares, or transfer ownership of such shares on the account books maintained by the book-entry transfer facility, together in either such case with all accompanying evidences of transfer and authenticity, to or upon the order of the Company, upon receipt by the Depository, as the undersigned's agent, of the Purchase Price with respect to such shares;
- (b) present certificates for such shares for cancellation and transfer on the Company's books; and
- (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, subject to the next paragraph, all in accordance with the terms of the Offer.

The undersigned understands that the Company, upon the terms and subject to the conditions of the Offer, will pay a price it selects within a range not less than \$20.00 nor greater than \$22.00 per share for shares validly tendered into, and not validly withdrawn from, the Offer subject to the conditions of the Offer described in the Offer to Purchase. The undersigned understands that the Company will select the lowest Purchase Price that will enable the Company to purchase up to 500,000 shares, or, if a lesser number of shares is validly tendered and not validly withdrawn, then the Company will select the price that will enable it to purchase all shares that are properly tendered and not properly withdrawn prior to the Expiration Date. The undersigned understands that all shares properly tendered prior to the Expiration Date at prices at or below the Purchase Price and not properly withdrawn will be purchased at the same Purchase Price, net to the seller in cash, less any applicable withholding taxes and without interest, on the terms and subject to the conditions of the Offer, including its "small lot" priority, proration and conditional tender provisions, and that the Company will return at its expense all other shares, including shares tendered at prices greater than the Purchase Price and shares not purchased because of proration or conditional tenders.

The undersigned acknowledges that they have been advised to consult with their own advisors as to the consequences of participating or not participating in the Offer.

The undersigned hereby covenants, represents and warrants to the Company that:

- (a) the undersigned has a net long position in the shares at least equal to the number of shares being tendered within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is tendering the shares in compliance with Rule 14e-4 under the Exchange Act;
- (b) has full power and authority to tender, sell, assign and transfer the shares tendered hereby;
- (c) when and to the extent the Company accepts the shares for purchase, the Company will acquire good and marketable title to them, free and clear of all security interests, liens, restrictions, claims, charges, encumbrances, conditional sales agreements or other obligations relating to their sale or transfer, and the shares will not be subject to any adverse claims or rights;
- (d) the undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or the Company to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered hereby and accepted for purchase; and
- (e) the undersigned agrees to all of the terms of the Offer.

The undersigned understands that tendering of shares under any one of the procedures described in Section 3, "Procedure for Tendering Stockholders" section of the Offer to Purchase and in the Instructions to this Letter of Transmittal will constitute an agreement between the undersigned and the Company upon the terms and subject to the conditions of the Offer. The undersigned acknowledges that under no circumstances will the Company pay interest on the Purchase Price.

The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, the Company may terminate or amend the Offer; or may postpone the acceptance for payment of, or the payment for, shares tendered, or may accept for payment fewer than all of the shares tendered hereby. The undersigned understands that certificate(s) for any shares not tendered or not purchased will be returned to the undersigned at the address indicated above.

The names and addresses of the registered holders should be printed, if they are not already printed above, exactly as they appear on the certificates representing shares tendered hereby. The certificate numbers, the number of shares represented by such certificates, and the number of shares that the undersigned wishes to tender, should be set forth in the appropriate boxes above.

Unless otherwise indicated under "Special Payment Instructions," please issue the check for the aggregate Purchase Price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld), and/or return any shares not tendered or not purchased, in the name(s) of the undersigned or, in the case of shares tendered by book-entry transfer, by credit to the account at the book-entry transfer facility designated above. Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the aggregate Purchase Price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld), and any certificates for shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). In the event that both the "Special Payment Instructions" and the "Special Delivery Instructions" are completed, please issue the check for the aggregate Purchase Price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and mail said check to the person(s) so indicated.

The undersigned recognizes that the Company has no obligation, under the Special Payment Instructions, to transfer any certificate for shares from the name of its registered holder, or to order the registration or transfer of shares tendered by book-entry transfer.

All authority conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned and any obligations or duties of the undersigned under this Letter of Transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

PLEASE READ ACCOMPANYING INSTRUCTIONS CAREFULLY.

METHOD OF DELIVERY

- Check here if certificates for tendered shares are enclosed herewith.
- Check here if certificates for tendered shares are being delivered pursuant to Notice of Guaranteed Delivery previously sent to the Depository and complete the following:

Name of Tendering Stockholder(s): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Institution that Guaranteed Delivery: _____

LOST OR DESTROYED CERTIFICATE(S)

If any certificate representing shares has been lost, destroyed or stolen, the stockholder should promptly notify the Depository. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing any lost or destroyed certificate have been followed. Please call American Stock Transfer & Trust Company, LLC, as the transfer agent for the shares, at (877) 248-6417 to obtain an affidavit of loss, for further instructions and for a determination as to whether you will need to post a bond. See Instruction 16.

SMALL LOTS (SEE INSTRUCTION 6)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, and who continues to own, beneficially or of record, as of the Expiration Date, an aggregate of fewer than 500 shares.

The undersigned either (**check one box**):

- is the beneficial or record owner of an aggregate of fewer than 500 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 500 shares and is tendering all of those shares.

In addition, the undersigned is tendering shares either (**check one box**):

- at the Purchase Price, as the same shall be determined by the Company in accordance with the terms of the Offer (persons checking this box need not indicate the price per share below); or
 - at the price per share indicated under the caption "Shares Tendered at Price Determined by Stockholder" in the box entitled "Price (in Dollars) Per Share at Which Shares are Being Tendered" below in this Letter of Transmittal.
-

CONDITIONAL TENDER
(SEE INSTRUCTION 7)

A stockholder may tender shares subject to the condition that a specified minimum number of the stockholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased, all as described in the Offer to Purchase, particularly in Section 6 thereof. Unless the Company purchases the minimum number of shares indicated below in the Offer, it will not purchase any of the shares tendered by such stockholder. It is the responsibility of the tendering stockholder to calculate that minimum number of shares that must be purchased if any are purchased, and the Company urges stockholders to consult their own tax advisors before completing this section. Unless the box below has been checked and a minimum specified, the tender will be deemed unconditional.

The minimum number of shares that must be purchased, if any are purchased, is:

_____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked the box below.

The tendered shares represent all shares held by the undersigned.

**PRICE (IN DOLLARS) PER SHARE
AT WHICH SHARES ARE BEING TENDERED
(SEE INSTRUCTION 5)**

Check only the box under (1) or (2) below. If both boxes or if no box is checked, there is no valid tender of shares.

1. Shares Tendered at Price Determined in the Offer

- The undersigned wants to maximize the chance of having the Company accept for purchase all of the shares that the undersigned is tendering (subject to the possibility of proration). Accordingly, BY CHECKING THIS BOX INSTEAD OF ONE OF THE PRICE BOXES BELOW, the undersigned hereby tenders shares at, and is willing to accept, the Purchase Price determined by the Company in accordance with the terms of the Offer and resulting from the Offer process. This action may have the effect of lowering the Purchase Price and could result in receiving a price per share as low as \$20.00 per share.

OR

2. Shares Tendered at Price Determined by Stockholder

- By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER “Shares Tendered at Price Determined in the Offer”, the undersigned hereby tenders shares at the Purchase Price checked. This action could result in none of the shares being purchased if the Purchase Price determined by the Company for the shares is less than the Purchase Price checked below. A stockholder who desires to tender shares at more than one Purchase Price must complete a separate Letter of Transmittal for each price at which shares are tendered. The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one Purchase Price.

- | | | | | | |
|-----------------------|---------|-----------------------|---------|-----------------------|---------|
| <input type="radio"/> | \$20.00 | <input type="radio"/> | \$20.25 | <input type="radio"/> | \$20.50 |
| <input type="radio"/> | \$20.75 | <input type="radio"/> | \$21.00 | <input type="radio"/> | \$21.25 |
| <input type="radio"/> | \$21.50 | <input type="radio"/> | \$21.75 | <input type="radio"/> | \$22.00 |
-

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 4, 8, 9 AND 11)

Special Payment Instructions

To be completed ONLY if the check for the Purchase Price of shares purchased and Share Certificates evidencing shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue Check and Share Certificates to:

Name: _____
(Please Print)

Address: _____

Id. No.: _____
(Tax Identification or
Social Security Number)

Account No.: _____

Special Delivery Instructions

To be completed ONLY if the check for the Purchase Price of shares purchased and Share Certificates evidencing shares not tendered or not purchased are to be mailed to someone other than the undersigned, or to the undersigned at an address other than that shown under "Description of Shares Tendered."

Mail Check and share Certificates to:

Name: _____
(Please Print)

Address: _____

Id. No.: _____
(Tax Identification or
Social Security Number)

(See Substitute Form W-9)

IMPORTANT

STOCKHOLDER(S) MUST SIGN HERE
AND
COMPLETE SUBSTITUTE FORM W-9,
FORM W-8BEN OR FORM W-8ECI, AS APPLICABLE

(See Instructions 1 and 8)

This Letter of Transmittal must be signed by registered holder(s) exactly as the name(s) appear(s) on the share certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by share certificates and documents transmitted herewith. If a signature is by an officer on behalf of a corporation or by an executor, administrator, trustee, guardian, attorney-in-fact, agent or other person acting in a fiduciary or representative capacity, please provide full title and see Instruction 8.

Signature(s) of Stockholder(s)

Dated: _____, 20__

Name(s): _____
Please Print

Capacity (full title): _____

Address _____
Please Include Zip Code

(Area Code) Telephone Number: _____

Taxpayer Identification or Social Security No.: _____

GUARANTEE OF SIGNATURE(S)
(If Required, See Instructions 1 and 8)

Authorized Signature: _____

Name(s): _____

Name of Firm: _____

Address: _____

Address Line 2: _____

(Area Code) Telephone Number: _____

Dated: _____, 20__

**INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER**

1. *GUARANTEE OF SIGNATURES.*

No signature guarantee is required if either:

- (a) this Letter of Transmittal is signed by the registered holder of the shares exactly as the name of the registered holder appears on the certificate tendered with this Letter of Transmittal and such owner has not completed the box entitled “Special Delivery Instructions” or “Special Issuance Instructions”; or
- (b) such shares are tendered for the account of a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company (not a savings bank or savings and loan association) having an office, branch or agency in the United States which is a participant in an approval Signature Guarantee Medallion Program (each such entity, an “Eligible Institution”).

In all other cases, an Eligible Institution must guarantee all signatures on this Letter of Transmittal. See Instruction 8.

2. *DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES; GUARANTEED DELIVERY PROCEDURES.*

This Letter of Transmittal is to be used only if:

- certificates for shares are delivered with it to the Depository; or
- the certificates will be delivered pursuant to a Notice of Guaranteed Delivery previously sent to the Depository; or
- an exercise of shares pursuant to the procedure for tender and exercise by book-entry transfer set forth in Section 3 of the Offer to Purchase.

Unless shares are being tendered by book-entry transfer, as described below, the following documents should be mailed or delivered to the Depository at the appropriate address set forth on the front page of this document and must be received by the Depository prior to the Expiration Date: (a) a properly completed and duly executed Letter of Transmittal or duly executed and manually signed facsimile copy of it, in accordance with the instructions of the Letter of Transmittal (including any required signature guarantees); (b) certificates for the shares being exercised; and (c) any other documents required by the Letter of Transmittal. If certificates are forwarded to the Depository in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery.

Shares may be validly tendered pursuant to the procedures for book-entry transfer as described in the Offer. In order for shares to be validly tendered by book-entry transfer, the Depository must receive, prior to the Expiration Date of the Offer, (a) confirmation of such delivery and (b) either a properly completed and executed Letter of Transmittal (or manually signed facsimile thereof) or an Agent’s Message if the tendering stockholder has not delivered a Letter of Transmittal, and (c) all documents required by the Letter of Transmittal. The term “Agent’s Message” means a message, transmitted by DTC to, and received by, the Depository and forming a part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC exercising the shares that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against the participant. If the stockholder is tendering by book-entry transfer, he, she or it must expressly acknowledge that he, she or it has received and agrees to be bound by the Letter of Transmittal and that the Letter of Transmittal may be enforced against him, her or it.

If share certificates are not immediately available, the holder cannot deliver his, her or its shares and all other required documents to the Depository or he, she or it cannot complete the procedure for delivery by book-entry transfer prior to the Expiration Date, then the stockholder may tender his, her or its shares pursuant to the guaranteed delivery procedure set forth in the Offer to Purchase. Pursuant to such procedure:

- (i) such tender must be made by or through an Eligible Institution;
- (ii) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Company (with any required signature guarantees) must be received by the Depository prior to the expiration of the Offer; and
- (iii) the certificates for all physically delivered shares in proper form for transfer by delivery, or a confirmation of a book-entry transfer into the Depository's account at DTC of all shares delivered electronically, in each case together with a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by this Letter of Transmittal, must be received by the Depository within three (3) NASDAQ Global Market trading days after the date the Depository receives such Notice of Guaranteed Delivery, all as provided in the Offer to Purchase.

The method of delivery of all documents, including share certificates, the Letter of Transmittal and any other required documents, is at the election and risk of the tendering stockholder, and the delivery will be deemed made only when actually received by the Depository. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Except as specifically permitted by the Offer to Purchase, no alternative or contingent exercises will be accepted.

3. *INADEQUATE SPACE.* If the space provided in the box captioned "Description of Shares Tendered" is inadequate, the certificate numbers and/or the number of shares should be listed on a separate signed schedule and attached to this Letter of Transmittal.

4. *PARTIAL TENDERS.* If fewer than all of the shares evidenced by any certificate are to be tendered, fill in the number of shares that are to be tendered in the column entitled "Number of Shares Tendered" in the box entitled "Description of Shares Tendered" above. In that case, if any tendered shares are purchased, a new certificate for the remainder of the shares (including any shares not purchased) evidenced by the old certificate(s) will be issued and sent to the registered holder(s), unless otherwise specified in either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" above, promptly after the Expiration Date. Unless otherwise indicated, all shares represented by the certificate(s) set forth above and delivered to the Depository will be deemed to have been tendered. In each case, shares will be returned or credited without expense to the stockholder.

5. **INDICATION OF PRICE AT WHICH SHARES ARE BEING TENDERED.** In order to validly tender by this Letter of Transmittal, you must complete the box entitled “Price (in Dollars) Per Share at Which Shares are Being Tendered” by either (1) checking the box in the section captioned “Shares Tendered at Price Determined in the Offer” or (2) checking one of the boxes in the section captioned “Shares Tendered at Price Determined by Stockholder” indicating the price per share at which you are tendering shares. Selecting option (1) could result in you receiving a price per share as low as \$20.00. Selecting option (2) could result in none of the shares you tender being purchased if the Purchase Price for the shares turns out to be less than the price you selected.

You may only check one box. If you check more than one box or no boxes, then you will not be deemed to have validly tendered your shares. If you wish to tender a portion(s) of your shares at different prices, you must complete a separate Letter of Transmittal for each price at which you wish to tender each such portion of your shares. To obtain additional copies of this Letter of Transmittal, contact the Information Agent at the telephone number and address included on the back cover of this Letter of Transmittal. You cannot tender the same shares more than once, unless you previously tendered shares and validly withdrew those shares, as provided in Section 4 of the Offer to Purchase. In the event you submit multiple Letters of Transmittal in order to tender shares at more than one price, a separate notice of withdrawal must be submitted in accordance with the terms of the Offer with respect to each separate Letter of Transmittal in order for such withdrawals to be effective.

6. **SMALL LOTS.** As described in Section 2 of the Offer to Purchase, if the Company purchases less than all shares tendered and not withdrawn before the Expiration Date, the shares purchased first will consist of all shares tendered by any stockholder who owns, beneficially or of record, an aggregate of fewer than 500 shares, and who tenders all of those shares at or below the Purchase Price. Even if you otherwise qualify for the “small lot” preferential treatment, you will not receive the preferential treatment unless you complete the box captioned “Small Lots” in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

7. **CONDITIONAL TENDERS.** As described in Section 2 and Section 6 of the Offer to Purchase, you may condition your tender on all or a minimum number of your tendered shares being purchased. To make a conditional tender, you must indicate this in the box captioned “Conditional Tender” in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery and must indicate the minimum number of shares that must be purchased from you if any are to be purchased. Small lot shares, which will not be subject to proration, cannot be conditionally tendered.

As discussed in Section 2 and Section 6 of the Offer to Purchase, proration may affect whether the Company accepts conditional tenders and may result in shares tendered conditionally at or below the Purchase Price not being purchased if the required minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and checked the box to indicate that. Upon the selection by lot, if any, the Company will limit the purchase in each case to the designated minimum number of shares.

All tendered shares will be deemed unconditionally tendered unless the “Conditional Tender” box is checked and appropriately completed. The Company urges each stockholder to consult his or her own tax advisor when deciding whether to tender shares conditionally.

8. *SIGNATURES ON LETTER OF TRANSMITTAL.*

- (a) If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.
- (b) If the shares are held of record by two or more persons or holders, all such persons or holders must sign this Letter of Transmittal.
- (c) If any tendered shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or photocopies of it) as there are different registrations of certificates.
- (d) When this Letter of Transmittal is signed by the registered holder(s) of the shares listed and transmitted hereby, no endorsement(s) of certificate(s) representing such shares or separate ordinary share power(s) are required. EXCEPT AS OTHERWISE PROVIDED IN INSTRUCTION 1, SIGNATURE(S) ON SUCH CERTIFICATE(S) MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION. If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificate(s) listed, the certificate(s) must be endorsed or accompanied by appropriate ordinary share power(s), in either case signed exactly as the name(s) of the registered holder(s) appears on the certificate(s), and the signature(s) on such certificate(s) or ordinary share power(s) must be guaranteed by an Eligible Institution. See Instruction 1.
- (e) If this Letter of Transmittal or any certificate(s) or ordinary share power(s) are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and must submit proper evidence satisfactory to the Company of the authority so to act. If the certificate has been issued in the fiduciary or representative capacity, no additional documentation will be required.

9. *STOCK TRANSFER TAXES.* Except as provided in this Instruction 9, no stock transfer tax stamps or funds to cover such stamps need accompany this Letter of Transmittal. The Company will pay any stock transfer taxes payable on the transfer to it of shares purchased in the Offer. If, however, either:

- (a) payment of the Purchase Price for shares tendered hereby and accepted for purchase is to be made to any person other than the registered holder(s); or
- (b) shares not tendered or not accepted for purchase are to be registered in the name(s) of any person(s) other than the registered holder(s); or
- (c) certificate(s) representing tendered shares are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal;

then the Depositary will deduct from such Purchase Price the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person(s) or otherwise) payable on account of the transfer to such person, unless satisfactory evidence of the payment of such taxes or any exemption from them is submitted.

10. *ORDER OF PURCHASE IN EVENT OF PRORATION.* As described in Section 2 of the Offer to Purchase, stockholders may designate the order in which their shares are to be purchased in the event of proration. The order of purchase may have an effect on the federal income tax classification of any gain or loss on the shares purchased.

11. *SPECIAL DELIVERY AND SPECIAL ISSUANCE INSTRUCTIONS.* If certificates for common stock purchased upon exercise of the shares are to be issued in the name of a person other than the signer of the Letter of Transmittal or if such certificates are to be sent to someone other than the person signing the Letter of Transmittal or to the signer at a different address, the boxes captioned “Special Issuance Instructions” and/or “Special Delivery Instructions” on this Letter of Transmittal must be completed as applicable and signatures must be guaranteed as described in Instruction 8.

12. *IRREGULARITIES.* All questions as to the number of shares to be accepted, the price to be paid therefor and the validity, form, eligibility (including time of receipt) and acceptance for exercise of any tender of shares will be determined by the Company in its sole discretion, which determinations shall be final and binding on all parties, subject to the judgments of any courts. The Company reserves the absolute right to reject any or all tenders of shares it determines not to be in proper form or to reject those shares, the acceptance of which or payment for which may, in the opinion of the Company’s counsel, be unlawful, subject to the judgments of any court. The Company also reserves the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular shares, and the Company’s interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties, subject to the judgments of any court. No tender of shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Company shall determine. Neither the Company nor any other person is or will be obligated to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

13. *QUESTIONS AND REQUESTS FOR ASSISTANCE AND ADDITIONAL COPIES.* Questions and requests for assistance should be directed to the Information Agent at the telephone numbers and address set forth on the back cover of this Letter of Transmittal. Additional copies of the Offer to Purchase, this Letter of Transmittal and other related materials may be obtained from the Information Agent. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the Offer.

14. *SUBSTITUTE FORM W-9 AND FORM W-8BEN.* Under the United States federal income tax laws, the Depository will be required to withhold 28% of the amount of the Purchase Price paid to certain stockholders (who are not “exempt” recipients) pursuant to the Offer. To avoid such backup withholding, each such United States Holder must provide the Depository with such stockholder’s taxpayer identification number and certify that such stockholder is not subject to backup withholding by completing the Substitute Form W-9 included as a part of this Letter of Transmittal, or otherwise establish to the satisfaction of the Depository that such stockholder is not subject to backup withholding. See Instruction 15. Certain “exempt recipients” (including, among others, all corporations and certain Non-United States Holders (as defined below)) are not subject to these backup withholding requirements. For a Non-United States Holder to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8BEN (or other applicable IRS Form), signed under penalties of perjury, attesting to that stockholder’s exempt status. Such statement can be obtained from the Depository.

15. *WITHHOLDING ON NON-UNITED STATES HOLDER.* Even if a Non-United States Holder has provided the required certification to avoid backup withholding, the Depository will withhold United States federal income taxes equal to 30% of the “deemed dividend” payable to a Non-United States Holder or his agent unless the Depository determines that a reduced rate of withholding is available under a tax treaty or that an exemption from withholding is applicable because such payments are effectively connected with the conduct of a trade or business within the United States. In general, a “Non-United States Holder” is any stockholder that for United States federal income tax purposes is not (i) a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States or any State or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of the source of such income, or (iv) a trust (a) if a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust. The “deemed dividend” payable to a Non-United States Holder will be deemed to be the gross payments payable to such Non-United States Holder unless the Company has determined prior to the time of the payment that a lesser amount should be subject to withholding pursuant to applicable United States Treasury Regulations.

In order to obtain a reduced rate of withholding pursuant to a tax treaty, a Non-United States Holder must deliver to the Depository before the payment a properly completed and executed IRS Form W-8BEN (or a successor form). In order to obtain an exemption from withholding on the grounds that the gross proceeds received in the Offer are effectively connected with the conduct of a trade or business within the United States, a Non-United States Holder must deliver to the Depository a properly completed and executed IRS Form W-8ECI (or a successor form). The Depository will determine a stockholder's withholding status based on such forms or other statements, unless facts and circumstances indicate that such reliance is not warranted. A Non-United States Holder that qualifies for an exemption from withholding by delivering IRS Form W-8ECI generally will be required to file a United States federal income tax return and will be subject to United States federal income tax on income derived from the sale of shares pursuant to the Offer in the manner and to the extent described herein as if it were a United States Holder (and for certain corporate holders and under certain circumstances, the branch profits tax). Payments to a foreign partnership generally are subject to withholding unless the partnership delivers to the Depository before the payment a properly executed IRS Form W-8IMY, with supporting documentation as specified in the Treasury Regulations, required to substantiate exemptions from withholding on behalf of its partners. A Non-United States Holder may be eligible to obtain a refund of all or a portion of any tax withheld if the Non-United States Holder meets the tests described in Section 13 of the Offer to Purchase that would characterize the exchange as a sale (as opposed to a dividend) or is otherwise able to establish that no tax or a reduced amount of tax is due.

Withholding is not required on a payment to a domestic partnership with foreign partners, provided the withholding agent can reliably associate the payment with a Form W-9 from the partnership. However, domestic partnerships generally will be required to withhold tax in the manner described above on distributions to their foreign partners, to the extent the distribution includes a foreign partner's allocable shares of the payment to the partnership pursuant to the Offer, unless a reduced rate is available under a treaty or an exemption applies.

Non-United States Holders are urged to consult their own tax advisors regarding the application of United States federal income tax withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedure.

16. *LOST, STOLEN, DESTROYED OR MUTILATED CERTIFICATES.* If your certificate(s) for part or all of your shares has been lost, stolen, destroyed or mutilated, you should promptly call the Depository, American Stock Transfer & Trust Company, LLC, at (877) 248-6417 or (718) 921-8317, regarding the requirements for replacement of the certificate. You may be asked to post a bond to secure against the risk that the certificate may be subsequently recirculated. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, stolen, destroyed or mutilated certificates have been followed. You are urged to contact the Depository immediately to ensure timely processing of documentation.

THIS LETTER OF TRANSMITTAL, PROPERLY COMPLETED AND DULY EXECUTED, TOGETHER WITH CERTIFICATES REPRESENTING SHARES BEING TENDERED OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED PRIOR TO 12:00 MIDNIGHT, EASTERN TIME, ON JANUARY 12, 2012. STOCKHOLDERS ARE ENCOURAGED TO RETURN A COMPLETED SUBSTITUTE FORM W-9, OR ANOTHER APPROPRIATE IRS FORM, WITH THIS LETTER OF TRANSMITTAL.

IMPORTANT TAX INFORMATION

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY FEDERAL TAX ADVICE CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE; (B) THE ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTION OR THE MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

If payments are to be made to anyone other than the registered holder, or if the payments are to be paid to anyone other than the person signing this letter or if shares not tendered or not accepted for payment are to be registered in the name of any person other than the registered holder, all transfer taxes (whether imposed on the registered holder or on any other person) will be payable by the tendering holder. Payments may not be paid to such a holder unless the holder has provided satisfactory evidence of the payment of any such transfer taxes or an exemption from such transfer taxes.

To prevent backup withholding, each United States Holder (as defined below) should either (x) provide his, her or its correct taxpayer identification number ("TIN") by completing the copy of the substitute IRS Form W-9 attached to this Letter of Transmittal, certifying that (1) he, she or it is a "United States person" (as defined in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code")), (2) the TIN provided is correct (or that such U.S. Holder is awaiting a TIN) and (3) that the United States Holder is exempt from backup withholding because (i) the holder has not been notified by the Internal Revenue Service (the "IRS") that he, she or it is subject to backup withholding as a result of a failure to report all interest or dividends, or (ii) the IRS has notified the United States Holder that he, she or it is no longer subject to backup withholding or (y) otherwise establish an exemption. If you do not provide a completed Substitute Form W-9 to the Depository, backup withholding may begin and continue until you furnish your TIN. If you do not provide the Depository with the correct TIN or an adequate basis for exemption, you may be subject to a \$50 penalty imposed by the IRS, and payments may be subject to backup withholding at a rate of 28%. If withholding results in an overpayment of taxes, a refund may be obtained from the IRS.

To prevent backup withholding, a Non-United States Holder (as defined below) should (i) submit a properly completed IRS Form W-8BEN or other Form W-8 to the Depository, certifying under penalties of perjury to the holder's foreign status or (ii) otherwise establish an exemption. IRS Forms W-8 may be obtained from the Depository or on the IRS website at www.irs.gov.

Certain holders (including, among others, corporations) are exempt recipients generally not subject to these backup withholding requirements. See the enclosed copy of the IRS Substitute Form W-9 and Guidelines for Request for Taxpayer Identification Number on Substitute Form W-9. To avoid possible erroneous backup withholding, exempt United States Holders should complete and return the Substitute Form W-9 and check the box marked "Exempt."

For the purposes of these instructions, a “United States Holder” is (i) an individual who is a citizen or resident alien of the United States, (ii) a corporation (including an entity taxable as a corporation) created under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. A “Non-United States Holder” is any holder (other than a holder that is, or holds its shares through, a partnership or other pass-through entity) that is not a United States Holder. The U.S. federal income tax treatment of a partner or other beneficial owner in a partnership or other flow-through entity generally will depend on the status of the partner and the activities of such partnership. Partners and partnerships (including beneficial owners of pass-through entities and such entities themselves) should consult their own tax advisors as to the particular U.S. federal income tax consequences applicable to them.

See the enclosed Instructions for completing Form W-9 for additional information and instructions.

**Request for Taxpayer
 Identification Number and Certification**

Give Form to the
 requester. Do not
 send to the IRS.

Print or type
 See **Specific**
Instructions on
 page 2.

Name (as shown on your income tax return)	
Business name/disregarded entity name, if different from above	
Check appropriate box for federal tax classification: <input type="radio"/> Individual/sole proprietor <input type="radio"/> C Corporation <input type="radio"/> S Corporation <input type="radio"/> Partnership <input type="radio"/> Trust/estate	
<input type="radio"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ -----	
<input type="radio"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

Exempt payee

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. **Social security number**
 For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the --
 Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number
-

Part II Certification

Under penalties of perjury, I certify that:
 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
 3. I am a U.S. citizen or other U.S. person (defined below).
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.
Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:
 • An individual who is a U.S. citizen or U.S. resident alien,
 • A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
 • An estate (other than a foreign estate), or
 • A domestic trust (as defined in Regulations section 301.7701-7).
Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9. Also see Special rules for partnerships on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian,

or

15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see How to get a TIN below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see Limited Liability Company (LLC) on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations. **How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see Exempt Payee on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4.a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

²Circle the minor's name and furnish the minor's SSN.

³You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see Special rules for partnerships on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

The Depository for the Offer is:



If delivering by mail:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042**

If delivering by hand or courier:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219**

**Toll-free (877) 248-6417 or (718) 921-8317
Fax: 718 234-5001**

The Information Agent for the Offer is:

**MACKENZIE
PARTNERS, INC.**

**105 Madison Avenue
New York, New York 10016**

**(212) 929-5500 (Call Collect)
or
Call Toll Free: (800) 322-2885**

E-mail: tenderoffer@mackenziepartners.com

**NOTICE OF GUARANTEED DELIVERY
FOR
TENDER OF SHARES OF COMMON STOCK
BY
NATHAN'S FAMOUS, INC.**

**PURSUANT TO ITS OFFER TO PURCHASE
DATED DECEMBER 8, 2011**

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, EASTERN TIME, ON
JANUARY 12, 2012, UNLESS EXTENDED (THE "EXPIRATION DATE").**

As set forth in Section 3 of the Offer to Purchase (as defined below) this Notice of Guaranteed Delivery must be used to accept the Offer (as defined below) if:

- Shares are not immediately available or stockholders cannot deliver shares to American Stock Transfer & Trust Company, LLC (the "Depository") prior to the Expiration Date, or
- Time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal) and any other required documents, to reach the Depository prior to the Expiration Date.

This form may be delivered by hand or transmitted by facsimile transmission or mail to the Depository. See Section 3 of the Offer to Purchase. The Offer to Purchase and the related Letter of Transmittal, as amended or supplemented from time to time, together constitute the "Offer."

The Depository for the Offer is:



If delivering by mail:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
P.O. Box 2042
New York, New York 10272-2042**

If delivering by hand or courier:

**American Stock Transfer & Trust Company
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219**

**Toll-free (877) 248-6417 or (718) 921-8317
Fax: 718 234-5001**

This Notice of Guaranteed Delivery, properly completed and duly executed, may be delivered by hand, registered mail, overnight courier or facsimile transmission to the Depository, as described in Section 3 of the Offer Letter.

For this notice to be validly delivered, it must be received by the Depository at the above address before the Offer expires. Delivery of this notice to another address will not constitute a valid delivery. Delivery to the Company, the Information Agent or the book-entry transfer facility will not be forwarded to the Depository and will not constitute a valid delivery.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution (as defined in the Letter of Transmittal) under the instructions to the Letter of Transmittal, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

By signing this Notice of Guaranteed Delivery, you tender, upon the terms and subject to the conditions described in the Offer to Purchase and the related Letter of Transmittal, receipt of which you hereby acknowledge, the number of shares, and method, specified below pursuant to the guaranteed delivery procedure described in Section 3, "Procedure for Tendering Stockholders" section of the Offer to Purchase. Unless otherwise indicated, all references to shares are to shares of our common stock.

_____ **Number of shares to be tendered.**

THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS (CHECK ONLY ONE BOX):

(1) SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER “Shares Tendered at Price Determined In the Offer”, the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by the Company for the shares is less than the price checked below. **A STOCKHOLDER WHO DESIRES TO TENDER SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE NOTICE OF GUARANTEED DELIVERY AND/OR LETTER OF TRANSMITTAL FOR EACH PRICE AT WHICH SHARES ARE TENDERED.** The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

C

<input type="radio"/>	\$20.00	<input type="radio"/>	\$20.25	<input type="radio"/>	\$20.50
<input type="radio"/>	\$20.75	<input type="radio"/>	\$21.00	<input type="radio"/>	\$21.25
<input type="radio"/>	\$21.50	<input type="radio"/>	\$21.75	<input type="radio"/>	\$22.00

OR

(2) SHARES TENDERED AT PRICE DETERMINED IN THE OFFER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER “Shares Tendered at Price Determined by Stockholder”, the undersigned hereby tenders shares at the purchase price, as the same shall be determined by the Company in accordance with the terms of the Offer. For purposes of determining the purchase price, those shares that are tendered by the undersigned agreeing to accept the purchase price determined in the Offer will be deemed to be tendered at the minimum price.

- The undersigned wants to maximize the chance of having the Company purchase all of the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares at, and is willing to accept, the purchase price determined by the Company in accordance with the terms of the Offer. **THIS ACTION COULD LOWER THE PURCHASE PRICE AND COULD RESULT IN RECEIVING THE MINIMUM PRICE OF \$20.00 PER SHARE.**

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

SMALL LOTS
(See Instruction 6 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, and who continues to own, beneficially or of record, as of the Expiration Date, an aggregate of fewer than 500 shares.

The undersigned either **(check one box)**:

- is the beneficial or record owner of an aggregate of fewer than 500 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 500 shares and is tendering all of those shares.

In addition, the undersigned is tendering shares either **(check one box)**:

- at the Purchase Price, as the same shall be determined by the Company in accordance with the terms of the Offer (persons checking this box need not indicate the price per share below); or
- at the price per share indicated under the caption "Shares Tendered at Price Determined by Stockholder" in the box entitled "Price (in Dollars) Per Share at Which Shares are Being Tendered" below in this Letter of Transmittal.

CONDITIONAL TENDER
(See Instruction 7 of the Letter of Transmittal)

A stockholder may tender shares subject to the condition that a specified minimum number of the stockholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased, all as described in the Offer to Purchase, particularly in Section 6 thereof. Unless the Company purchases the minimum number of shares indicated below in the Offer, it will not purchase any of the shares tendered by such stockholder. It is the responsibility of the tendering stockholder to calculate that minimum number of shares that must be purchased if any are purchased, and the Company urges stockholders to consult their own tax advisors before completing this section. Unless the box below has been checked and a minimum specified, the tender will be deemed unconditional.

- The minimum number of shares that must be purchased, if any are purchased, is:

_____ shares.

If, because of proration, the minimum number of shares designated above will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked the box below.

- The tendered shares represent all shares held by the undersigned:

SIGNATURES

Signatures: _____

Name(s) of
Stockholders(s): _____
(please type or print)

Certificate
Nos.: _____

Address: _____

(Include Zip Code)

Daytime Area Code and Telephone Number: _____

Date: _____, 20__

If shares will be delivered by book-entry transfer, provide the Account Number.

Account Number: _____

THE GUARANTEE SET FORTH ON THE NEXT PAGE MUST BE COMPLETED.

GUARANTEE OF DELIVERY
(Not to be Used for Signature Guarantee)

The undersigned, a bank, broker dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as that term is defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended (each of the foregoing constituting an "Eligible Institution"), guarantees delivery to the Depository of the shares tendered, in proper form for transfer, or a confirmation that the shares tendered have been delivered pursuant to the procedure for book-entry transfer described in the Offer into the Depository's account at the book-entry transfer facility, in each case together with a properly completed and duly executed Letter(s) of Transmittal (or a facsimile(s) thereof), or an Agent's Message in the case of a book-entry transfer, and any other required documents, all within three (3) NASDAQ Global Market trading days after the date of receipt by the Depository of this Notice of Guaranteed Delivery.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for shares to the Depository, or confirmation of receipt of the shares pursuant to the procedure for book-entry transfer and an Agent's Message, within the time set forth above. Failure to do so could result in a financial loss to such Eligible Institution.

Name of Firm: _____

Authorized Signature: _____

Name: _____
(please print)

Title: _____

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

Date: _____, 20__

NOTE: DO NOT SEND SHARES WITH THIS FORM. SHARES SHOULD BE SENT WITH THE LETTER OF TRANSMITTAL.

Offer to Purchase for Cash

by

NATHAN'S FAMOUS, INC.**Up to 500,000 Shares of its Common Stock
At a Purchase Price not Less than \$20.00 nor Greater than \$22.00 per Share****The Offer, Proration Period and Withdrawal Rights will Expire at 12:00 Midnight, Eastern Time, on January 12, 2012, Unless the Offer is Extended
(the "Expiration Date")**

December 8, 2011

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

We have been appointed by Nathan's Famous, Inc., a Delaware corporation (the "Company"), to act as Information Agent in connection with its offer to purchase for cash, up to 500,000 shares of its common stock, \$.01 par value, at a price, net to the seller in cash, less any applicable withholding taxes and without interest, not less than \$20.00 nor greater than \$22.00 per share, upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 8, 2011 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with any supplements or amendments thereto, collectively constitute the "Offer"). Unless otherwise indicated, all references to shares are to shares of the Company's common stock. Please furnish copies of the enclosed materials to those of your clients for whom you hold shares registered in your name or in the name of your nominee.

Enclosed with this letter are copies of the following documents:

1. Offer to Purchase;
2. Letter of Transmittal, for your use in accepting the Offer and tendering shares of and for the information of your clients, including an IRS Form W-9;
3. Form of letter that may be sent to your clients for whose account you hold shares registered in your name or in the name of a nominee, with an Instruction Form provided for obtaining such client's instructions with regard to the Offer;
4. Notice of Guaranteed Delivery with respect to shares, to be used to accept the Offer in the event you are unable to deliver the share certificates, together with all other required documents, to the Depository (as defined in the Letter of Transmittal) before the Expiration Date, or if the procedure for book-entry transfer cannot be completed before the Expiration Date; and
5. Return envelope addressed to American Stock Transfer & Trust Company, LLC, as the Depository.

Certain customary conditions to the Offer are described in Section 7 of the Offer to Purchase.

We urge you to contact your clients promptly. Please note that the Offer, proration period and withdrawal rights will expire at 12:00 Midnight, Eastern Time, on January 12, 2012, unless the Offer is extended.

Under no circumstances will interest be paid on the purchase price of the shares regardless of any extension of, or amendment to, the Offer or any delay in paying for such shares.

The Company will not pay any fees or commissions to any broker or dealer or other person (other than the Information Agent and the Depositary, as described in the Offer to Purchase) in connection with the solicitation of tenders of shares pursuant to the Offer. However, the Company will, on request, reimburse you for customary mailing and handling expenses incurred by you in forwarding copies of the enclosed Offer materials to your clients. The Company will pay or cause to be paid any stock transfer taxes applicable to its purchase of shares pursuant to the Offer, except as otherwise provided in the Offer to Purchase and Letter of Transmittal (see Instruction 9 of the Letter of Transmittal).

Questions and requests for additional copies of the enclosed material may be directed to us at our address and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,

MacKenzie Partners, Inc.

Nothing contained in this letter or in the enclosed documents shall render you or any other person the agent of the Company, the Depositary, the Information Agent or any affiliate of any of them or authorize you or any other person to give any information or use any document or make any statement on behalf of any of them with respect to the Offer other than the enclosed documents and the statements contained therein.

Offer to Purchase for Cash

by

NATHAN'S FAMOUS, INC.**Up to 500,000 Shares of its Common Stock
At a Purchase Price not Less Than \$20.00 nor Greater than \$22.00 per Share****The Offer, Proration Period and Withdrawal Rights will Expire at 12:00 Midnight, Eastern Time, on January 12, 2012, Unless the Offer is Extended
(the "Expiration Date")**

December 8, 2011

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated December 8, 2011 (the "Offer to Purchase"), and the related Letter of Transmittal (the "Letter of Transmittal" which, together with any amendments or supplements thereto, collectively constitute the "Offer"), in connection with the offer by Nathan's Famous, Inc., a Delaware corporation (the "Company"), to purchase for cash up to 500,000 shares of its common stock, \$.01 par value, at a price, net to the seller, less any applicable withholding taxes and without interest, not less than \$20.00 nor greater than \$22.00 per share (the "Purchase Price"), upon the terms and subject to the conditions of the Offer. Unless otherwise indicated, all references to shares are to shares of the Company's common stock.

On the terms and subject to the conditions of the Offer, the Company will determine the single per share price, not less than \$20.00 nor greater than \$22.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, that the Company will pay for shares properly tendered and not properly withdrawn in the Offer, taking into account the total number of shares so tendered and the prices specified by the tendering stockholders. After the Offer expires, the Company will look at the prices chosen by stockholders for all of the shares properly tendered. The Company will then select the lowest Purchase Price (in multiples of \$0.25 within the price range specified above) that will allow it to purchase 500,000 shares. If a lesser number of shares is properly tendered, the Company will select the price that will allow it to purchase all the shares that are properly tendered and not properly withdrawn.

The Company will purchase all shares properly tendered prior to the Expiration Date at prices at or below the Purchase Price and not properly withdrawn at the same Purchase Price, net to the seller in cash, without interest, on the terms and subject to the conditions of the Offer, including its "small lot" priority, proration and conditional tender provisions. Subject to certain limitations and legal requirements, the Company reserves the right to accept for payment, according to the terms and conditions of the Offer, up to an additional 2% of outstanding shares of common stock (or 98,959 shares). In exercising this right, the Company may increase the Purchase Price to allow it to purchase all such additional shares. The Company will return shares tendered at prices greater than the Purchase Price and shares not purchased because of proration provisions or conditional tenders to the tendering stockholders at the Company's expense promptly after the Offer expires. See Sections 2 and 3 of the Offer to Purchase.

On the terms and subject to the conditions of the Offer, if at the expiration of the Offer more than 500,000 shares are properly tendered at or below the Purchase Price, the Company will purchase shares first, from all holders of "small lots" of less than 500 shares (a "Small Lot Holder") who properly tender all of their shares at or below the Purchase Price and do not properly withdraw them before the Expiration Date for the Offer, second, on a pro rata basis (except for stockholders who tendered shares conditionally if the condition was not satisfied), and third, if necessary to permit the Company to purchase 500,000 shares, from stockholders who have conditionally tendered shares at or below the Purchase Price and do not properly withdraw them (if the condition was not initially satisfied) by random lot, to the extent feasible. See Sections 2, 3 and 6 of the Offer to Purchase.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. **We are sending you the Letter of Transmittal for your information only; you cannot use it to tender shares we hold for your account.**

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account on the terms and subject to the conditions of the Offer.

Please note the following:

1. You may tender your shares at prices not less than \$20.00 nor greater than \$22.00 per share, as indicated in the attached Instruction Form, net to you in cash, less any applicable withholding taxes and without interest.
 2. **You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.**
 3. The Offer is not conditioned on any minimum number of shares being tendered and is not conditioned upon financing. The Offer is, however, subject to certain other conditions set forth in Section 7 of the Offer to Purchase.
 4. The Offer, withdrawal rights and proration period will expire at 12:00 Midnight, Eastern Time, on January 12, 2012, unless the Company extends the Offer.
 5. The Offer is for up to 500,000 shares, constituting approximately 10.1% of the shares of common stock outstanding as of December 7, 2011.
 6. Tendering stockholders who are registered stockholders or who tender their shares directly to American Stock Transfer & Trust Company, LLC, the Depository for the Offer, will not be obligated to pay any brokerage commissions or fees to the Company, solicitation fees or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on the Company's purchase of shares under the Offer.
 7. If you wish to tender portions of your shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each such portion of your shares. We must submit separate Letters of Transmittal on your behalf for each price you will accept for each portion tendered.
 8. If you are a Small Lot Holder and you instruct us to tender on your behalf all of the shares that you own at or below the Purchase Price before the Expiration Date and check the box captioned "Small Lots" on the attached Instruction Form, the Company, on the terms and subject to the conditions of the Offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered at or below the Purchase Price and not properly withdrawn.
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9. If you wish to condition your tender upon the purchase of all shares tendered or upon the Company's purchase of a specified minimum number of the shares which you tender, you may elect to do so and thereby avoid possible proration of your tender. The Company's purchase of shares from all tenders which are so conditioned, to the extent necessary, will be determined by random lot. To elect such a condition, complete the section captioned "Conditional Tender" in the attached Instruction Form.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. If you authorize us to tender your shares, we will tender all your shares unless you specify otherwise on the attached Instruction Form.

Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit a tender on your behalf before the Expiration Date of the Offer. Please note that the Offer, proration period and withdrawal rights will expire at 12:00 Midnight, Eastern Time, on January 12, 2012, unless the Offer is extended.

The Offer is being made solely under the Offer to Purchase and the related Letter of Transmittal (together with any amendment or supplement thereto) and is being made to all record holders of shares. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

The Company's Board of Directors has approved the Offer. However, neither the Company nor any member of its Board of Directors, nor the Depositary or the Information Agent is making any recommendation to you as to whether to tender or refrain from tendering your shares or as to the Purchase Price or Purchase Prices at which you may choose to tender your shares. You must make your own decision as to whether to tender and, if so, how many shares to tender and the Purchase Price or Purchase Prices at which your shares should be tendered. In doing so, you should read carefully the information in the Offer to Purchase and in the related Letter of Transmittal, including the Company's reasons for making the Offer. See Section 2 of the Offer to Purchase. You should discuss whether to tender your shares with your broker or other financial or tax advisor. The Company's directors and executive officers do not intend to participate in the Offer and they do not intend to tender any of their shares.

**INSTRUCTION FORM WITH RESPECT TO
Offer to Purchase for Cash
by
NATHAN'S FAMOUS, INC.**

**Up to 500,000 Shares of its Common Stock
At a Purchase Price not Less than \$20.00 nor Greater than \$22.00 per share**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated December 8, 2011 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer"), in connection with the offer by Nathan's Famous, Inc., a Delaware corporation (the "Company"), to purchase for cash up to 500,000 shares of its common stock, \$.01 par value, at a price, net to the seller, less any applicable withholding taxes and without interest, not less than \$20.00 nor greater than \$22.00 per share (the "Purchase Price"), upon the terms and subject to the conditions of the Offer.

The undersigned hereby instruct(s) you to tender to the Company the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, at the price per share indicated below, on the terms and subject to the conditions of the Offer.

In participating in the Offer to purchase for cash, the undersigned acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature and it may be extended, modified, suspended or terminated by the Company as provided in the Offer; (2) the undersigned is voluntarily participating in the Offer; (3) the future value of the Company's securities are unknown and cannot be predicted with certainty; (4) the undersigned has read and understands the Offer; (5) the undersigned has consulted his or her tax and financial advisors with regard to how the Offer will impact his or her personal situation; (6) any foreign exchange obligations triggered by the undersigned's tender of shares or the recipient of proceeds are solely his or her responsibility; and (7) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance, transfer tax or other tax-related items ("Tax Items") related to the Offer and the disposition of shares, the undersigned acknowledges that the ultimate liability for all Tax Items is and remains his or her sole responsibility. In that regard, the undersigned authorizes the Company to withhold all applicable Tax Items legally payable by the undersigned.

The undersigned consents to the collection, use and transfer, in electronic or other form, of the undersigned's personal data as described in this document by and among, as applicable, the Company, its subsidiaries, and third party administrators for the exclusive purpose of implementing, administering and managing his or her participation in the Offer.

Number of shares to be tendered by you for the account of the undersigned:

_____ shares*

* Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.

THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS (CHECK ONLY ONE BOX):

(1) SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER “Shares Tendered at Price Determined Under the Offer”, the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the Purchase Price determined by the Company for the shares is less than the price checked below. **A STOCKHOLDER WHO DESIRES TO TENDER SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE INSTRUCTION FORM FOR EACH PRICE AT WHICH SHARES ARE TENDERED.** The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

<input type="radio"/>	\$20.00	<input type="radio"/>	\$20.25	<input type="radio"/>	\$20.50
<input type="radio"/>	\$20.75	<input type="radio"/>	\$21.00	<input type="radio"/>	\$21.25
<input type="radio"/>	\$21.50	<input type="radio"/>	\$21.75	<input type="radio"/>	\$22.00

OR

(2) SHARES TENDERED AT PRICE DETERMINED UNDER THE OFFER (SEE INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL)

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER “Shares Tendered at Price Determined by Stockholder”, the undersigned hereby tenders shares at the Purchase Price, as the same shall be determined by the Company in accordance with the terms of the Offer. For purposes of determining the Purchase Price, those shares that are tendered by the undersigned agreeing to accept the Purchase Price determined in the Offer will be deemed to be tendered at the minimum price.

The undersigned wants to maximize the chance of having the Company purchase all of the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares at, and is willing to accept, the Purchase Price determined by the Company in accordance with the terms of the Offer. **THE UNDERSIGNED SHOULD UNDERSTAND THAT THIS ELECTION MAY LOWER THE PURCHASE PRICE AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$20.00 PER SHARE.**

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, OR IF NO BOX IS CHECKED, THERE IS NO VALID TENDER OF SHARES.

SMALL LOTS
(See Instruction 6 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 500 shares.

By checking this box, the undersigned represents that the undersigned owns, beneficially or of record, an aggregate of fewer than 500 shares and is tendering all of those shares.

In addition, the undersigned is tendering shares either (check one box):

at the Purchase Price, as the same will be determined by the Company in accordance with the terms of the Offer (persons checking this box need not indicate the price per share above); or

at the price per share indicated above in the section captioned "Price (In Dollars) Per Share at Which Shares Are Being Tendered".

CONDITIONAL TENDER
(See Instruction 7 of the Letter of Transmittal)

A tendering stockholder may condition his or her tender of shares upon the Company purchasing a specified minimum number of the shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least the minimum number of shares you indicate below is purchased by the Company pursuant to the terms of the Offer, none of the shares tendered by you will be purchased. It is the tendering stockholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and you are urged to consult your own tax advisor before completing this section. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, the Company may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked this box:

The tendered shares represent all shares held by the undersigned.

The method of delivery of this document is at the election and risk of the tendering stockholder. If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Signature(s): _____

Name(s): _____
(Please Print)

Taxpayer Identification or
Social Security
Number: _____

Address(es): _____
(Including Zip Code)

Area Code/Phone
Number: _____

Date: _____

NATHAN'S FAMOUS, INC.

December 8, 2011

Dear Nathan's Stockholder:

Nathan's Famous, Inc., ("Nathan's") is offering to purchase up to 500,000 shares of its common stock, \$.01 par value at a price not less than \$20.00 nor greater than \$22.00 per share, upon the terms and subject to the conditions of the enclosed Offer to Purchase for Cash and Letter of Transmittal (the "Offer").

Please read the materials carefully before making any decision with respect to the Offer. Please refer to the Summary Term Sheet beginning on page 5 of the Offer to Purchase for Cash for key information regarding the Offer. While the Summary Term Sheet is designed to address many of your questions regarding the Offer, you are urged to read all of the materials in their entirety. The Board of Directors of the Company has approved the Offer but neither the Company nor the Board of Directors is making any recommendation to stockholders as to whether to tender or refrain from tendering their shares. Stockholders must make their own decision whether or not to tender their shares and, if so, how many shares and at what purchase price(s) their shares should be tendered. **YOU DO NOT HAVE TO SELL YOUR SHARES.** However, if you wish to tender your shares, instructions on how to tender (sell) shares are provided in the enclosed materials and summarized below.

If you wish to tender all or any part of your shares, you must do one of the following before the Offer expires at 12:00 Midnight, Eastern Time, on January 12, 2012, or such later date and time to which we may extend the Offer:

- (i) complete and sign the related Letter of Transmittal according to the instructions in the Letter of Transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, including your share certificates, to American Stock Transfer & Trust Company, LLC, the Depositary for the Offer, or (ii) tender the shares according to the procedure for book-entry transfer described in Section 3 of the Offer to Purchase; or
- request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that nominee and have the nominee tender your shares for you.

If you desire to tender your shares but (1) your share certificates are not immediately available or cannot be delivered to the Depositary by the expiration of the Offer, (2) you cannot comply with the procedure for book-entry transfer by the expiration of the Offer, or (3) you cannot deliver the other required documents to the Depositary by the expiration of the Offer, you must tender your shares according to the guaranteed delivery procedure described in Section 3 of the Offer to Purchase.

STOCKHOLDERS MUST COMPLETE THE LETTER OF TRANSMITTAL TO AFFECT A VALID TENDER OF SHARES.

The purpose of the Offer is to provide liquidity for those stockholders desiring to sell all or a portion of their shares at a premium over the recent trading prices for the shares. Given the Company's current cash and investment balances, the Board of Directors determined this to be an attractive time to repurchase a significant portion of outstanding shares.

Please note that the Offer is scheduled to expire at 12:00 Midnight, Eastern Time, on January 12, 2012, unless extended by Nathan's. Please contact MacKenzie Partners, Inc., the Information Agent for the Offer, if you have any further questions. MacKenzie Partners, Inc.'s telephone number is (800) 322-2885 and email is tenderoffer@mackenziepartners.com.

Sincerely,

/s/ Eric Gatoff

Eric Gatoff
Chief Executive Officer
Nathan's Famous, Inc.

