



Del Taco Continues to Drive Superior Sales Growth

Iconic Brand's Focus on Quality and Value is Winning Guests Over

Lake Forest, California (October 18, 2016) – The combined result of a solid brand strategy and its best-selling product ever, [Del Taco Restaurants, Inc.](#) (NASDAQ: TACO) has posted yet another quarter of strong growth. Despite the widely reported industry slowdown, the company announced system wide same store sales (SSS) were up 6.7% for the third quarter of 2016. This marks the system's 12th consecutive quarter of positive SSS and its 17th consecutive among company-operated restaurants. In addition, Del Taco's Guest Experience Measurement (GEM) results show that guests are more satisfied with the product, service and overall experience which has led to increases in same store transactions during the third quarter.

Del Taco credits its ongoing success to the brand's strategic repositioning efforts to further define its unique QSR+ model. The company continues to differentiate from competitors by heightening focus on its QSR+ attributes, such as Del Taco's unique ability to offer guests the quality and freshness of fast casual restaurants with the value and convenience of a drive thru. The brand's Fresh Combined Solutions strategy is designed to generate great guest experiences through a series of operations and marketing initiatives while increasing appeal with a broader set of limited service occasions. The strategy is made up of a variety of brand catalysts; from new equipment and enhanced training to the launch of the consumer-facing UnFreshing Believable 2.0 campaign. The brand refresh campaign highlights Del Taco's dichotomous menu of both Mexican and American favorites such as burritos and fries, along with the use of quality ingredients and fresh preparation in every restaurant's working kitchen served at category leading prices.

UnFreshing Believable 2.0 kicked off in June 2016 with the launch of The Del Taco, a bigger, better-tasting, crunchy beef taco inspired by the 1964 original and deemed worthy of the brand's name. With more than 11 million sold, The Del Taco broke all-time sales records to become the company's most successful product introduction to date. The overwhelming success of The Del

Taco, as demonstrated by Del Taco's third quarter earnings, speaks volumes as to what today's consumers are really craving, and is driving record business in what has otherwise been a sluggish sales period for the entire QSR category.

"Del Taco is on a journey to define QSR+ and we're excited about the momentum that was created by our UnFreshing Believable 2.0 campaign and the great success of The Del Taco in the third quarter," said John Cappasola, executive vice president and chief brand officer. "We're focused on quality and freshness when developing craveable, menu items that guests can enjoy time and time again, like a delicious crunchy beef taco; and based on the results of our now best-selling product ever, it's clear that our approach is winning consumers over."

Continuing to solidify the brand's QSR+ positioning and expand upon its unique barbell menu approach, on October 27, Del Taco will roll out its new premium menu platform called Platos, a more authentic Mexican plated meal which consists of chips and salsa, rice and beans, and an entrée. A complementary follow up to The Del Taco, Platos is an occasion expansion strategy designed to help grow traffic during the dinner daypart and create new reasons for guests to visit Del Taco.

In addition to innovative menu items and platforms, the UnFreshing Believable 2.0 campaign encompasses the following initiatives; some currently underway and others that will be implemented throughout the next year:

- **Redesigned In-Store Signage, Menu Panels and Packaging**, including cups and bags, feature a fresh, new look and feel.
- **New Team Uniforms** are more comfortable and better reflect the colorful and contemporary UnFreshing Believable 2.0 style.
- **New Advertising Campaign** dramatizes the unique dichotomies that only Del Taco can deliver such as fresh preparation paired with category leading value, and tacos and burritos paired with crinkle cut fries.
- **More Freshness Coolers** in restaurants display fresh avocados, chopped pico de gallo, 40 lb. blocks of cheddar cheese and other freshly prepared ingredients.

"The UnFreshing Believable 2.0 campaign highlights the traits that already make Del Taco stand out, such as fresh prep coupled with category-leading everyday value, which is strongly

resonating with guests as we continue to raise the bar in the QSR segment,” Cappasola continued. “Along with record sales, we’re extremely pleased to see our quality and value scores increase significantly, which further demonstrates the success of our Fresh Combined Solutions Strategy and brand refresh.”

For additional details on Del Taco’s third quarter earnings, visit <http://investor.deltaco.com/investor-overview/default.aspx>.

About Del Taco Restaurants, Inc.

Del Taco (NASDAQ: TACO) offers a unique variety of both Mexican and American favorites such as burritos and fries, prepared fresh in every restaurant’s working kitchen with the value and convenience of a drive thru. All menu items taste better because they are made with quality ingredients like freshly grated cheddar, hand-chopped pico de gallo, sliced avocado, slow-cooked beans made from scratch, and fresh-grilled marinated chicken and steak. The brand’s UnFreshing Believable® campaign further communicates Del Taco’s commitment to provide guests with the best quality and value for their money. Founded in 1964, today Del Taco serves more than three million guests each week at its nearly 550 restaurants across 16 states. For more information, visit www.deltaco.com.

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