



December 4, 2007

IHOP Completes Purchase of Applebee's

IHOP announced recently that it has completed its \$2.04 billion purchase of Applebee's International Inc. The companies had announced a definitive agreement for IHOP to buy Overland Park-based Applebee's on July 16. IHOP, based in Glendale, Calif., financed the \$2.04 billion transaction through two securitization transactions that used restaurant assets of IHOP and Applebee's as collateral. The Applebee's securitization was \$1.8 billion. IHOP also completed a private placement of \$190 million of non-convertible preferred stock and \$35 million of convertible preferred stock, the company said in a release. With Applebee's 1,965 restaurants, the combined companies have more than 3,250 restaurants. The release said that makes IHOP the largest full-service restaurant company in the world. "We are delighted to complete the acquisition of Applebee's as it represents an opportunity to create significant long-term value for IHOP shareholders over and above what we could have achieved on a standalone basis," IHOP CEO Julia Stewart said in the release. "We believe that our core competencies of re-energizing restaurant brands, franchising and expense management are ideally suited to improve Applebee's overall brand and financial help." Stewart, who was president of Applebee's domestic division from 1998 to 2001, helped turn around IHOP through similar methods.

IHOP plans to franchise about 475 of Applebee's 510 company-owned restaurants by the end of 2010, which will lower capital expenses, the release said. The sale of some markets will be completed in early 2008.

Source: Kansas City Business Journal

Hooters Plants Flag in 2 Countries This Week

Restaurants Open in Israel and Spain. This week the Hooters flag will be planted in two new countries when the popular chain opens its first locations in Israel and Spain. The Hooters of Poleg, Israel hosted its VIP Grand Opening Celebration on November 27th followed by the Hooters of Tenerife's VIP Celebration in the Canary Islands, a Spanish territory, on December 1st. "It's a great week for the brand to be able to claim two new countries for the wide world of Hooters," stated Coby Brooks, President and CEO of Hooters of America. Mr. Brooks will be attending the VIP Grand Opening Celebration in both countries. "It is going to require a lot of travel logistics to make both events," stated Brooks, "but this is such an important week for our company that I didn't want to miss it." The Hooters of Poleg, located in Natanya, is the first of at least 3 Hooters restaurants planned to open in Israel. The restaurant will open to the public on November 28th. The restaurant in Spain is located in Tenerife, the largest of the Canary Islands, is the first of 15 Hooters slated for that country is scheduled to open on December 3rd. International expansion has been a focus for Hooters over the past couple years. These 2 new locations bring the total number of countries that Hooters currently serves their world famous wings in to 25, with many planned for the future.

In 2008, the concept is slated to open over 32 locations, 19 of which are international, including the newest markets of Dubai, Thailand, New Zealand and Columbia.

Source: Hotel News Resource

Buffets Holdings, Inc. Announces Appointment of Steven Layt as Chief Operating Officer

Buffets Holdings, Inc., together with its subsidiary Buffets, Inc. announced the appointment of Steven R. Layt as Chief Operating Officer of both Companies. Mr. Layt is expected to begin his tenure with the companies by December 31, 2007. Mr. Layt, age 35, has served as Franchise Head Coach for Yum! Brands' Pizza Hut Division since January 2007 with responsibility for overseeing approximately 2,300 Pizza Hut Restaurants in the Eastern United States. From January 2006 to January 2007 Mr. Layt was Pizza Hut's Franchise Business Director for Northeast Operations and prior to that served as Yum! Brands' Director of Restaurant Excellence worldwide from 2003 to 2006. Mr. Layt has over 19 years of restaurant industry experience. Speaking of the appointment, Mike Andrews stated that "Steve is a proven leader and hands-on operating veteran that will bring fresh insights to our industry-leading brands. Together with our two Divisional Presidents, Mario Lee, responsible for the HomeTown Buffet and Old Country Buffet units, and Rick Kirk, directing the Ryan's and Fire Mountain restaurants, we have a management team ready to capitalize on our strengths in a restaurant industry environment with great opportunity."

Source: Buffets, Inc./BUSINESS WIRE

Leggett & Platt Will Make Strategic Changes to Improve Profits, Including the Sale of Different Divisions

Fortune 500 diversified manufacturer Leggett & Platt announced significant changes to its strategy. The company is adopting a new strategic objective, implementing role-based portfolio management and more rigorous strategic planning, and narrowing its focus by eliminating over one-fifth of its portfolio. Leggett also intends to enhance returns on its remaining assets, return more cash to shareholders, and pursue disciplined growth. CEO and President David S. Haffner commented, "We are making significant, necessary changes to the way we assess our portfolio of businesses, and to how we manage our asset base. We intend to be better stewards of shareholders' capital, generate significantly more free cash, and return a larger amount of that cash to our investors. Our shareholder returns have suffered for the past few years, as part of our portfolio has dragged us down. We are correcting that by divesting several of our businesses. These are tough decisions we don't make lightly because they affect many of our employee-partners; however, these actions are required to bring about a stronger, better performing, and more focused Leggett & Platt." The company's new, primary objective is to consistently achieve annual TSR of 12%-15% over the long term, which should place Leggett in the top third among the S&P 500. Revenue growth, long held as a primary goal, will now be viewed as one of several means to improve TSR. Consistent with this change, the company is modifying its incentive plans to emphasize the importance of, and reward, TSR. Leggett will also manage its BUs as a portfolio, with different roles (Grow, Core, Fix, or Divest) for each BU based upon competitive advantages, strategic position, and financial health. The company is implementing a much more rigorous strategic planning process, in part to continually assess each BU's role in the portfolio. After significant study, Leggett is narrowing its focus and eliminating approximately \$1.2 billion of its revenue base via divestitures, pruning of some business, and closure of underperforming plants.

The largest portion of the revenue reduction (approximately \$900 million) will come from divestiture of the Aluminum Products segment and six additional BUs. The company is pursuing divestiture of these businesses during 2008 and expects to generate about \$400 million of after-tax proceeds. The Store Fixtures business unit will prune about \$100 million (or 20%) of its least profitable revenue. This unit was placed in the Fix category and given a 12-month deadline by which we anticipate its after-tax return should reach at least cost-of-capital levels. The unit will close four facilities, resulting in notable EBIT margin improvement and an increase in capacity utilization to about 80%. Finally, several Grow and Core business units, though otherwise healthy, contain individual plants operating at unacceptable profit levels. The company anticipates the closure or disposition of a number of these unprofitable facilities, and an ensuing

reduction in revenue of approximately \$200 million. To remain in the portfolio, BUs are expected to consistently generate after-tax returns (on assets) in excess of the company's cost of capital. Though most of Leggett's BUs are generating adequate returns, each has opportunities to improve. BUs may employ a variety of means to achieve higher returns, including trimming expenses, introducing new products, improving productivity, adopting more disciplined pricing, reducing working capital, and consolidating assets. Business units that fail to attain minimum return goals will be moved to the Fix or Divest categories. For the next two years the company will focus on better managing its current asset base. That pursuit will require much of senior management's time and attention. During this period growth could be rather minimal. Over the longer term, the company plans to focus its growth efforts on a narrower set of higher quality opportunities, and is anticipating 4-5% annual growth from the Grow, Core, and new BUs collectively. Growth capital will be predominantly earmarked for the Grow BUs, which are expected to expand at rates in excess of GDP. Core BUs are, for the most part, operating in markets that grow more slowly than GDP, and are expected to at least maintain market share. In addition, over the long term the company will be looking for opportunities to enter new, higher growth businesses that meet strict criteria.

Source: Leggett & Platt



Granite City Food & Brewery Ltd. Names James G. Gilbertson as Chief Financial Officer

Granite City Food & Brewery Ltd. announced the addition of James G. Gilbertson to the company's management team. Mr. Gilbertson, currently a director of the company, has been elected Chief Financial Officer of the company, replacing Peter P. Hausback, who has left the company. "I am extremely pleased to announce that Jim Gilbertson, who has served as one of our directors since 1999, has agreed to become our Chief Financial Officer," said Steven J. Wagenheim, President and Chief Executive Officer of Granite City Food & Brewery. "Jim and I have worked closely together in recent years in the areas of strategic growth and financing and we are fortunate to have a financial executive of his caliber joining our management team and taking on this very important position. He has substantial experience in capital formation, financing, SEC reporting and investor relations. "As we approach \$100 million in annualized sales, Jim Gilbertson, along with the recent addition of Darius Gilanfar, adds depth and experience for long-term steady growth as a national restaurant company. "I am also appreciative of the work of Peter Hausback, who served as our Chief Financial Officer since August 2006. He contributed significantly to our growth and expansion into new markets during this period."

Source: Granite City Food & Brewery Ltd.

Sheri Messerli Named Vice President of Operations for Bennigan's

Bennigan's Grill & Tavern announced that Sheri Messerli has been promoted to vice president of operations for the company. As vice president of operations Messerli will oversee all company-owned Bennigan's restaurants across the country. "Sheri brings an enormous amount of skill and experience to the job," said Clay Dover, president and chief executive officer of Metromedia Restaurant Group (MRG). "She has been an integral part of our restaurant operations for the past several years in key roles across the country, and I know she will continue to be an asset to the Bennigan's team." Messerli began at MRG in

1985. In that time she worked as a senior manager for Steak and Ale, general manger for Bennigan's and area director for Bennigan's.

Source: Metromedia Restaurant Group (MRG)

Restaurant Chain to Expand in Indianapolis. 16 Pandini's, Jazzman's Cafe and Salsa Rico Franchises Planned Here in Next 3 to 5 years

Restaurant Company Retail Brand Group wants to put 16 more of its franchises in the Indianapolis metro area within three to five years and is lining up prospective locations and store owners. "For the last few years, we have spent our efforts establishing the best infrastructure to support a franchise system for each of our brands," said Ray Torres, a vice president for franchise development with the company, a subsidiary of global food-service-provider Sodexo USA, based in Maryland. "Now, with all the pieces in place, we are ready for an aggressive expansion focusing in the Eastern U.S., beginning with Indianapolis." Six Pandini's, six Jazzman's Cafes and four Salsa Rico sites are planned, Torres said. Retail Brand already has four Jazzman's Cafe locations in Indiana -- one in Franklin, two in Indianapolis and one in Richmond. Jazzman's, a coffeehouse and bakery cafe, features a line of proprietary roasts and single-country-origin coffee. Salsa Rico is a Baja-style Mexican grill, while Pandini's is a fast-casual restaurant serving pizza, pasta and salad. The eateries originated mainly as kiosks serving colleges, corporate campuses and health-care facilities. In the expansion here, the restaurants will be full-size, ranging from 1,500 to 3,000 square feet. Executives primarily are looking at street-level shopping center locations, instead of malls, said Bob Faller, also a company vice president. Jazzman's has 203 locations nationally, making it the biggest of the three eateries.

Source: Indystar.com

Cleveland Range Named "2007 Manufacturer of the Year"

Cleveland Range received the "2007 Manufacturer of the Year" award from the Electric Foodservice Council at their annual awards banquet on Monday November 5th at the Beau Rivage Resort and Casino in Biloxi, MS. Cleveland's commitment to providing energy efficient electric steam cooking equipment, primarily the ENERGY STAR® SteamChef™ and electric family of Convotherm® combis in both generator and boilerless models led to this award. In 2006, Cleveland also received the "Innovation of the Year" award for Convotherm's Advanced Closed System design from EFC. Cleveland has established a close relationship with the Electric Foodservice Council and has been a charter member since its creation in 1987.

Source: Cleveland Range, LLC/an Enodis Company

Clay Dover Named President and CEO of Metromedia Restaurant Group

The Metromedia Restaurant Group (MRG) board of directors announced that Clay Dover has been promoted to president and chief executive officer of MRG. He succeeds Vince Runco who resigned to pursue other business opportunities. MRG is the parent company for Bennigan's Grill and Tavern, Steak and Ale, Ponderosa Steakhouse, Bonanza Steakhouse, Bennigan's Sport and The Tavern brands, encompassing more than 700 restaurants in 16 countries. "I am honored to be leading a great team of talented people over some of the most recognized names in the dining industry," Dover said. "And I am firmly dedicated to the success of our family of brands." Dover previously served as chief concept officer and executive vice president of MRG. Prior to that, he was vice president of marketing for Bennigan's Grill & Tavern. With more than 17 years of experience in the industry, Dover has held marketing and management positions with such brands as Chili's, Houlihan's, Marie Callender's and more. A change agent for restaurants across the country, Dover recently received the national 2007 Chain Leader Protégé of the Year award in recognition of his career achievements.

Source: Metromedia Restaurant Group/BusinessWire



Foodservice Yearbook International 2008 Global Buyer's Guide

For decades, FYI has been regarded worldwide as a "One-Stop Shop" for purchasing and specifying, the Foodservice Yearbook International reaches buyers at the very beginning of the decision-making process. FYI is the original and most widely used annual buyers' guide in global foodservice. It reaches close to 100,000 buyers, consultants, exporters and foodservice professionals around the world, and with more than six readers per copy. Also, the latest buying patterns survey showed that our readers refer to FYI eleven times per year, and these contacts have produced actual sales for the advertisers. The Foodservice Yearbook International contains the most comprehensive listing of exporting suppliers and manufacturers to the foodservice world with more than 1,300 manufacturers' listings and over 3,000 product listings. Bonus circulation at selected major global trade shows during 2008. The Foodservice Yearbook International's targeted audience of 16,166 readers control over 80% of the world's \$1.5 trillion annual foodservice volume. The readers of FYI are buying-empowered professionals at global and regional headquarters of hotel and restaurant chains, major hotel and restaurant locations, consultants, contract caterers, cruise-ships/airline/rail/amusement caterers, supermarket and c-store chain headquarters and a global network of distributors, in over 140 countries worldwide. The targeted circulation of Foodservice Yearbook International allows you to consolidate your advertising budget into one magazine that reaches the entire foodservice world. For more information, please contact mschacher@globalfoodservice.com

Starbucks Announces Plan to Open First Farmer Support Center in Africa in Addis Ababa, Ethiopia

Ethiopian Prime Minister Meles Zenawi and Starbucks Corporation chairman Howard Schultz reaffirmed their commitment to making Ethiopia a leading force in the global specialty coffee marketplace. Schultz and Prime Minister Meles said their discussions reflected a deepening relationship between Ethiopia, the birthplace of coffee, and Starbucks, one of the world's largest specialty coffee companies. The Prime Minister and Schultz discussed ways to expand the branding and marketing of Ethiopia's world-renowned fine coffees in order to help achieve better prices for farmers and improved opportunities for the millions of Ethiopians who depend on coffee for their livelihood. Schultz announced that the company will open a Starbucks Farmer Support Center in the Ethiopian capital in 2008. The facility, the first in Africa, will enable Starbucks to work collaboratively with Ethiopian farmers to raise both the quality and production of the country's high quality specialty coffees. "We will be working closely with Starbucks to bring badly needed investment and technology to our coffee industry, as well as brand recognition and promotion for our high-grade Arabica beans," said Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia. "These measures will afford Ethiopia new leverage in the global coffee market. I am extremely encouraged that Starbucks Chairman Howard Schultz shares our belief in a bright future for Ethiopia's coffee economy." Earlier this year, Starbucks signed a distribution, marketing and licensing agreement with Ethiopia and has agreed to assist in expanding consumer awareness of Ethiopia's famed coffee brands -- Sidamo, Harar/Harrar and Yirgacheffe. In addition to meeting with Prime Minister Meles, Schultz and other top Starbucks executives will have a roundtable discussion with government officials, coffee farmers, exporters and other coffee stakeholders to share ideas on how to strengthen the partnership and improve the Ethiopian coffee industry. During the meetings, Schultz was joined in Ethiopia by Cliff Burrows, president Starbucks EMEA (Europe, Middle East and Africa); Dub Hay, Starbucks senior vice president of Coffee &

Global Procurement; and Sandra Taylor, Starbucks senior vice president of Corporate Social Responsibility.

Source: Starbucks Coffee Company

Fried, Grilled – Pollo Campero Is Now the Only Chain To Do Both

Successful fried chicken chain adds grilled alternatives and provides great chicken with a Latin twist. Pollo Campero, the largest Latin American chicken restaurant chain, today announced the company will offer more than fried chicken. Pollo Campero has been a successful fried chicken company for close to 40 years in Latin America. Since entering the U.S., Campero has adapted to its new consumers' requests by adding grilled chicken to its menu. Customers love Pollo Campero's less-greasy fried chicken, but also wanted a delicious grilled alternative. "Our strategy has always been to offer the best chicken in town. Our traditional fried chicken is enough to deliver this promise in Latin America. For the U.S., we have strengthened the concept with the introduction of a superior grilled chicken product line," said Roberto Denegri, president and COO, Campero USA. The citrus-infused grilled chicken is in the last phase of operational validation at Pollo Campero and has been tested successfully in different regions of the country. It is now set for its national debut. "After searching for years for a recipe for grilled chicken that is as good as our traditional Pollo Campero fried chicken, we are delighted to introduce this product line. Campero is now in the unique position of being the only chicken chain to offer both grilled and fried on-the-bone chicken. By making both available, our customers know that we listen and care about their needs and wishes," said Rodolfo Jimenez, EVP of business development, Campero USA. "We are providing our customers with even more choices to enhance their overall dining experience," said Jimenez. "The grilled chicken was born from our consumers' passion for our product. We have developed a grilled chicken that is worthy of the Campero name. It has been tested and always comes out as one of the best if not the best. "The launch of our grilled chicken comes at a perfect time to support our goal of opening 500 units by 2012," said Denegri. "There are fried chicken brands and there are grilled chicken brands. Since the introduction of our grilled options, Pollo Campero is both – a great chicken brand with a Latin twist."

Source: Pollo Campero USA

Standex Announces Management Change

Standex International Corporation announced that Christian Storch will resign effective December 13 as vice president, chief financial officer and treasurer to take a chief financial officer position with another publicly traded company closer to his home. Storch also will resign his position as a director of the Company. Standex has retained a national executive recruiting firm and is moving aggressively to identify a new chief financial officer. "On behalf of Standex and the board, I would like to thank Christian for his valuable contributions to the Company for the past eight years," said President and Chief Executive Officer Roger Fix. "Christian's new position will allow him to spend more time with his family and we wish him every success in his personal and professional life."

Source: Standex International Corporation

Technomic Examines Growth, Opportunities for Restaurant Franchise Companies

Restaurant franchise companies (franchisees) are the driving force behind the growth of many restaurant chains in both limited- and full-service sectors. Pizza Hut, Burger King and Applebee's are a few of the many brands that have thrived from franchising. Franchisees have also been appetizing ventures for private equity and hedge fund investors. Within the last year, several companies were taken over by such firms, including the largest franchisee-NPC International, Inc. by Merrill-Lynch Global Private Equity Group. A new industry report from foodservice consultants Technomic provides detailed reporting and analysis of the 200 largest restaurant franchise organizations. 'Anyone interested in understanding the franchisee terrain and leveraging opportunities for growth will benefit from this new report,' explains Darren Tristano, Executive Vice President of Technomic Information Services. It explores the leading 200 franchise companies, the brands behind them, unit and sales growth-and outlines trends and opportunities within

various regions, restaurant segments and chain brands. In addition to detailed reporting on franchise organization composition and performance, as well as menu segment and regional coverage, the 2007 Technomic Top 200 Restaurant Franchise Company Report also provides comprehensive appendices that list the Top 200 restaurant franchise companies alphabetically and by sales, as well as detailed concept listings.

Source: Hotel News Resource/Technomic

Grindmaster Announces Management Changes

Louisville, Ky.-based Grindmaster announced changes to its management team. The company promoted Rob Poe to chief operating officer; Lisa Klein to senior vice president; Keith Enscoe to national sales manager; and Suzannah Stephens to marketing manager. In addition, Grindmaster hired Alicia Pedreira as customer and technical services manager.

Source: Grindmaster

Captain D's Seafood Kitchen Sets Sights on San Antonio

Captain D's Seafood Kitchen, the nation's No. 2 seafood chain, is looking to San Antonio, TX for expansion beyond its Nashville roots. A southern favorite, Captain D's began more than 40 years ago, and today has more than 600 restaurants in 26 states and is owned by Nashville-based Sagittarius Brands. "San Antonio is an ideal market for Captain D's. San Antonio diners enjoy seafood and Captain D's provides an alternative seafood experience with a focus on quality," said Rick Hedreen, franchise recruiting director for Sagittarius Brands, parent company of Captain D's. According to Hedreen, the chain is seeking experienced restaurateurs to open up to as many as 10 new restaurants in this area. Recently, Captain D's introduced an updated concept with a new look to the restaurant and a revamped menu. The new restaurant design combines traditional Captain D's elements with a blend of new features and colors including a new order station, menu board, seating package and décor. Captain D's opened its first new prototype design in Oxford, Mississippi, in January. The Oxford restaurant is the beginning of a phased-in remodeling and building program that included 35 restaurants in the Nashville market.

Source: Captain D's Seafood Kitchen

New Owner Wants to Restore Shoney's Chain to 'Glory Days'

On the back of Shoney's executive business cards is the mantra of new management: restoring the Southern buffet and restaurant chain to its "glory days." It is the latest attempt to revive the once-dominant comfort food chain, long known for its inexpensive buffets. Shoney's once claimed 1,200 restaurants nationwide. But it has shrunk to 272 in recent years amid customer complaints of worn-out decor, poorly cooked food and uneven quality. The Nashville-based restaurant chain's new owner, CEO and Chairman David Davoudpour, said he is determined to bring the brand back. Since he acquired the company in January, Davoudpour has taken over several underperforming franchise locations and turned them into company-owned restaurants. He has vowed to use fresh — not frozen — meat and fruit products and try to improve service through spot checks of stores and better employee training. "We want every restaurant to shine," Davoudpour said. "Basically, I want to be the model of excellence." In the past, some franchisees said they broke the corporate norm to make their restaurants profitable. Part of the problem was inconsistent service and spotty food quality, said Davoudpour, who is also the head of Atlanta-based Royal Capital Corp., the largest franchisee of Church's Chicken stores. Davoudpour said he wants to set an example for the chain's remaining four-dozen franchisees by running his 61 corporate-owned stores exceedingly well. Davoudpour recently purchased nine underperforming restaurants in Tennessee and Louisiana from three franchisees. He said he has spent millions of dollars for basic repairs in many of the company-owned restaurants, fixing leaky roofs, upgrading smelly bathrooms and patching holes in walls. Some franchisees and customers say Davoudpour has his work cut out for him. A sluggish U.S. economy, high gas prices and other factors have created a rough patch, pushing consumers to slow their spending and dine out less. "Right now, it's going to be a longer-than-planned journey to get back," said franchisee Bill Emendorfer, who runs two restaurants in

Tennessee and Kentucky. "I don't think the new management has had time to implement things that has resurrected the brand yet." Davoudpour said Shoney's is rolling out new menu items, including mahi-mahi, and revamping old standbys such as the Shoney's ham and Swiss sandwich, the "Slim Jim," by using higher quality bread.

Source: THE TENNESSEAN

Major Columbus Based Foodservice Rep Firm Forges Ahead Under New Ownership

Zink Marketing acquires Top O' the Table, Inc. "Planned succession is vital in the Rep business," said Tom Greenwald, owner of Top O' the Table, Inc [TOTT] a major multiple-line manufacturers' representative organization covering Ohio, Kentucky, Indiana, Michigan, W. Pennsylvania, and W. Virginia. "Becoming a division of Zink Marketing provides continuity for my manufacturers, my employees, and our customers. "I could not be more excited by the opportunities for growth this acquisition will provide everyone involved and especially for the manufacturers we represent." Zink Marketing is a 30 person manufacturers' rep agency providing Branch Office services to a highly select list of Foodservice Equipment Manufacturers. Zink Marketing serves the same geographic territory as TOTT. Both companies have operated manufacturers' rep organizations for over 30 years. "The synergies achieved by bringing TOTT into the Zink organization are limitless. We are very excited about participating on a much greater scale in the Table Top/Smallwares portion of the Foodservice Industry," stated Jim Zink, Vice President of Zink Marketing. Tom Greenwald will serve as President of the TOTT division of Zink Marketing. His focus will be to direct the efforts of Top O' the Table's seven (7) outside sales representatives as well as their inside support staff. In addition he will assist in the transition of the business and provide market development opportunities on the supply side. "I'm confident that the Zink-TOTT teams will immediately help each other by helping our customers and our manufacturers create new opportunities and solve problems," said Mike McGuire, Vice President of Zink Marketing. "The logic is obvious; we call on mostly the same customers. This move certainly expands our reach and offers diversification at the same time. The unique technology of our ZinkLogix™ Sales Management System works for both companies," McGuire continued. Closing is expected to occur April 1, 2008.

Source: Zink Marketing

Red Robin Will Boost Ad Spending in '08

Restaurant chain Red Robin Gourmet Burgers Inc. intends to spend more on advertising next year, the company announced. The Greenwood Village company will collect more from its restaurants for its national advertising fund, Red Robin said in its third-quarter financial report. Red Robin in April launched its first national advertising campaign, with a budget in the neighborhood of \$11 million. The company funded the ads with 1 percent of revenue collected from each restaurant, both company-owned and franchised. Red Robin said the contributions for the national advertising fund in 2008 will increase to 1.5 percent of revenue for all restaurants. The company expects revenue this year to reach between \$763 million and \$767 million, an increase from Red Robin's earlier forecast of \$760 million to \$770 million. The company opened seven restaurants in the third quarter, five of them company-owned. Operating profit margins at the company-owned restaurants in the quarter fell to 20.3 percent from 20.8 percent a year earlier. Red Robin said the profit margins were hurt by higher costs for dairy and cheese, higher labor costs and contributions to the national advertising fund. The net income climbed to \$8.2 million from nearly \$6 million a year earlier. For the 40 weeks ended Oct. 7 - Red Robin's first three quarters of fiscal 2007 - total revenue rose 27.4 percent, to \$579.6 million. Sales at the comparable company-owned restaurants increased by 2.3 percent. Profits increased slightly, to \$20.56 million from \$20.54 million, from the first three quarters of last year. Red Robin opened 36 restaurants during the 40-week period, 23 of them company-owned. Red Robin expects to open 30 to 33 company-owned restaurants in 2008, and 11 to 13 franchised restaurants. About three-fourths of the planned company-owned restaurants will use the company's new prototype design, which is a smaller size.

Source: The Denver Business Journal



Best Western Targets 30 Hotels in Japan by 2010

Best Western International continues its expansion into Japan, targeting 30 hotels by 2010. The country is also playing a major role in driving Best Western towards its goal of becoming the largest international hotel chain in Asia with an eye on the total of 200 hotels within the next three years. Best Western Vice President International Operations Asia, Glenn de Souza, expressed his optimism on this achievable goal. "Visitor arrivals to Japan have shown strong growth in recent years, and this trend is likely to continue into the foreseeable future," he said. "The 'Visit Japan' campaign has also given these numbers a timely boost." Mr. de Souza added that Japan's current economic conditions make the country more attractive to foreign visitors than in the past, while it continues to maintain strong fundamentals as a politically stable business hub. "Japan has a lot to offer as a destination," said Mr. de Souza. "It is an art and cultural centre, has stunning architecture and is home to a range of natural attractions." Mr. de Souza added that expansion in Japan will focus on major cities, with the 'Premier' brand receiving much of the attention. The aim is to meet the trend of providing convenient accommodation, while taking a share of the market away from smaller, cheaper "capsule" hotels. Recent Best Western additions to Japan include the 228-room Best Western Joytel Osaka that occupies the top 10 floors of a modern tower and the 80-room Best Western Wakayama, which features spacious rooms in the city center. Several other Best Western hotels coming on line in 2009-2010 are in various stages of construction, renovation and re-branding. Among these are properties in Aomori, Hokkaido, Ishikawa, Kagoshima, Kobe, Nagano, Okinawa, Saga, Sasebo, Sendai and Tokyo with more destinations in the pipeline. According to Mr. de Souza, the reason behind the hotel chain's success is the Best Western brand. "For independent hotel owners, Best Western is more readily accepted by consumers than other brands. Member hotels have access to the power of our strong global sales and marketing network as well as Best Western's excellent member support program," he said. Already operating in Japan are Best Western Takayama, Best Western Kochi and Best Western Premier Hotel Nagasaki, each of which boasts 80% annual occupancy rates.

Source: Best Western International/Ehotelier.com

O'Charley's Plans Restaurant Makeovers

O'Charley's Inc. wants to roll out a plan to update its restaurants through remodeling and re-imaging and add new plateware, uniforms and service standards. The initiative is called 'Project RevO'lution' and at Ninety Nine restaurants it's called 'Project Dressed to the Nines'. Plans for 2008 call for the completion of between 65 and 70 'Project RevO'lution' re-brandings at O'Charley's restaurants, and between 38 and 42 'Project Dressed to the Nines' re-brandings at Ninety Nine restaurants. O'Charely's expects to complete the re-branding initiatives by the end of 2009. The company operates 363 restaurants under three brands: O'Charley's, Ninety Nine Restaurant, and Stoney River Legendary Steaks. Third-quarter revenue rose 0.9 percent to \$220.9 million compared to the same quarter last year.

Source: Nashville Business Journal



If you would like to have news about your company, please send all editorial contributions to Mario Schacher: mschacher@ariteam.com

Thank you for reading The Global Foodservice E-newsletter from American Recruiters!

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