



December 16, 2008

Yum Sees EPS Growing 20 Percent in 2009

Yum Brands Inc. said it expects earnings per share to grow by at least 10 percent in 2009, excluding special items. In a news release, the Louisville-based company also said it reaffirms its 2008 forecast of 12 percent in EPS growth, excluding special items. "We look forward to illustrating how our global portfolio of brands will continue to build on our consistent track record of EPS growth, led by international new unit development, same-store-sales growth, and industry-leading returns," chairman and CEO David Novak said in a news release. "We believe these are the key drivers of increasing long-term shareholder value for our business." The company said it will present a brief update and take questions on its business strategies and global expansion outlook on Wednesday, Dec. 10 at the New York Stock Exchange. Detailed full-year 2009 guidance will be provided at the meeting.

Source: Business First of Louisville

Papa John's Founder Returns to C-Suite

Papa John's announced that it named John H. Schnatter, the company's founder and chairman, as interim CEO, effective immediately. Schnatter succeeds Nigel Travis, who has served as Papa John's president and CEO and a member of the Board of Directors since 2005. Travis is leaving the company to pursue another opportunity and the board has agreed that his employment with Papa John's will continue through Dec. 30, 2008. The company's Board of Directors has formed a committee comprised of William M. Street, who will serve as chair, Alexander W. Smith, Olivia F. Kirtley, Norborne P. Cole, Jr., and Schnatter, to undertake a search for a permanent CEO. Norborne P. Cole, Jr., Papa John's lead director, says, "We are pleased that John has once again agreed to lead the company, albeit on an interim basis, until we can identify a permanent replacement. John is a proven business leader with broad management experience, an unparalleled understanding of this business and valuable relationships with franchisees throughout the Papa John's system. "I look forward to working closely with our talented team," Schnatter says.

Source: QSR

Burger King Under Fire for Whopper Virgins Taste Test Challenge

Burger King is under fire for a new advertising campaign featuring "burger virgins", impoverished villagers in remote parts of the world, taking part in Whopper versus Big Mac taste tests. In teaser adverts promoting

its "Whopper Virgins" challenge, the fast food chain describes how it sought out farmers in rural Romania, Thai villagers and residents of Greenland's icy tundra to compare its signature burger with arch rival McDonalds'. "What happens if you take Transylvanian farmers who have never eaten a burger and ask them to compare Whopper versus Big Mac in the world's purest taste test?" one of the adverts asks. "Will they prefer the Whopper? These are the Whopper Virgins." The "undeniable" results of the chain's "unbiased" global research – which involved "13 planes, two dog sleds and one helicopter" – will be unveiled in a documentary next week, according to whoppervirgins.com, the website promoting the campaign. "If you want a real opinion about a burger, ask someone who doesn't even have a word for burger," states the site to a haunting theme of drums and pan pipes. "Watch the whopper virgins take their first bite." But critics have slammed the campaign as insulting and exploitative. "It's outrageous," Sharon Akabas of the Institute of Human Nutrition at Columbia University, told the New York Daily News. "What's next? Are we going to start taking guns out to some of these remote places and ask them which one they like better?" Marilyn Borchardt, development director for Food First, called the campaign insensitive. "The ad's not even acknowledging that there's even hunger in any of these places," she told the Daily News. The campaign has also stirred up a welter of online commentary. Brian Morrissey, writing on Adfreak.com, likens the campaign to colonialism and declares it "embarrassing and emblematic of how ignorant Americans still seem to the rest of the world. "It doesn't get much more offensive than this," noted The Inquisitor blog. "If visiting poor people in remote locations, some who would be at best surviving on below poverty levels and throwing a burger in their faces isn't bad enough, it gets better, because they also ask the Whopper Virgins to compare the taste of the Whopper to a McDonalds Big Mac as well.

Source: Telegraph.co.uk

Ruth's Names Head of Mitchell's Division

Ruth's Hospitality Group Inc. has appointed a former executive of several national chains to head up its Mitchell's Fish Market division. Sam Tancredi, a 30-year restaurant industry veteran, will take on the role of senior vice president and chief operating officer of the Heathrow-based company's Fish Market division. Ruth's Hospitality in February acquired 19 Mitchell's Fish Markets and three steakhouses from Columbus-based Cameron Mitchell Restaurants LLC. Tancredi comes to Ruth's Hospitality after being a franchisee and chief operating officer of six Paradise Bakery & Cafe eateries in Indianapolis. He is expected to bring "invaluable experience and knowledge" to the Mitchell's Fish Market division as Ruth's Hospitality develops the brand, said Michael O'Donnell, president and chief executive officer, in a prepared statement. "His entrepreneurship, expertise in concept development and leadership in the seafood category makes him a perfect addition to our team," O'Donnell said in the statement. Ruth's Hospitality, which focuses on the upscale dining segment, has more than 150 company- and franchisee-owned locations worldwide. It owns the Ruth's Chris Steak House, Mitchell's Fish Market, Mitchell's Steakhouse and Cameron's Steakhouse concepts.

Source: Orlando Business Journal

Friendly's Appoints Chief Executive

Friendly Ice Cream Corp. announced the appointment of Ned R. Lidvall as its president and chief executive, effective immediately. Lidvall replaces George M. Condos, who announced his retirement several months ago, the company said. Since 1999, Lidvall served as president and chief executive of Rock Bottom Restaurants Inc., a Colorado-based chain with just over 130 casual dining restaurants, Friendly's said in a press release. Friendly's is a portfolio company of Sun Capital Partners of Florida, a private investment firm. The Friendly's chain includes 505 company and franchised restaurants. Friendly's also makes ice cream, which is distributed through more than 4,000 supermarkets and other retail locations.

Source: The Boston Globe

CKE Restaurants to Expand in Kazakhstan

CKE Restaurants Inc., which operates Carl's Jr. and Hardee's, said it will build 12 Carl's Jr. restaurants in Kazakhstan over the next five years. Franchisee The Americana Group currently operates 194 Hardee's restaurants in the Middle East and will expand to 200 locations in the first quarter. "International expansion remains a key strategic focus at CKE," said Andrew F. Puzder, president and chief executive of CKE Restaurants. Currently international units comprise about 10 percent of the CKE system with plans to grow to 20 percent by 2014.

Source: The Associated Press



Tijuana Flats to Open Eco-Friendly Eatery

Tijuana Flats Burrito Co. plans to open a new environmentally friendly restaurant in South Florida on Dec. 15. The new 1,750-square-foot restaurant in Fort Lauderdale, the chain's 10th new location this year, is expected to seat more than 60. It also is one of the Winter Park-based chain's first to feature energy-efficient equipment such as tankless water heaters, solar-powered timers in the kitchen and low flow toilets in the restrooms. The chain is working with vendors to recycle waste oil. The Tex-Mex restaurant chain has more than 65 locations in Florida, Indiana, North Carolina, Pennsylvania and Virginia.

Source: Orlando Business Journal

McDonald's Specialty Coffee Rolling Out in Chicago Area

McDonald's Corp. is formally launching its specialty coffee initiative in Chicago, the largest market yet for the fast-food giant's biggest product launch in decades. This week, Oak Brook-based McDonald's started a TV advertising campaign in the Chicago area for specialty coffee, and Monday it will begin a promotion called "McCafe Mondays." Upon request, customers can receive a free 8-ounce specialty coffee—a caramel cappuccino or vanilla latte, for instance. The company said the promotion will run into 2009. McDonald's has been gradually rolling out specialty coffee over the past year, and it's now available in about 30 percent of its nearly 14,000 U.S. outlets. In May, a prominent restaurant analyst said that specialty coffee seemed like it was off to a slow start, and other experts have made similar observations. But McDonald's says sales are in line with expectations. The weakening economy may give the McDonald's McCafe concept a boost at the expense of Starbucks, according to a report Friday by Steve West, an analyst at Stifel Nicolaus. A McDonald's specialty coffee is about 75 cents cheaper than Starbucks' and is "a good quality product," West wrote. "Are they Starbucks quality? We will not go that far." But the battered economy will give consumers an incentive to trade down to McDonald's, he wrote. Larry Miller, an analyst at RBC Capital Markets, wrote in a research report this week that McDonald's already has taken a bite from Starbucks. RBC has been commissioning coffee research over the past year, and its November survey marked the first time McDonald's took market share from Starbucks. RBC's survey takes into account all coffee, and McDonald's has had significant success with its regular joe since reformulating it in early 2006. Specialty coffee requires a special and expensive build-out at each restaurant. Although not every

restaurant has the space, most do; about 75 percent of the Chicago-area McDonald's that can accommodate the build-out are selling the beverages, company spokeswoman Danya Proud said in an e-mail.

Source: The Chicago Tribune

Welcome to the Wisconsin Restaurant Expo!

As the largest and most inclusive show in the state, the Wisconsin Restaurant Expo brings together all of foodservice and hospitality. It's where anyone in the industry can find great ideas on how to meet changing consumer demands. It's the ideal location for foodservice professionals to turn for the latest information, tips for increasing productivity and profits, and solutions to the challenges businesses face in today's economy. It's where to inspire creativity, discover fresh concepts, and revitalize business. It's a place executives go to save time and money connecting with foodservice suppliers from around North America and comparison shopping for the entire year. It's where to make new business contacts and strengthen relationships. And, it's all in Milwaukee, Wisconsin, over just three days, March 9 - 11, 2009.

Source: Wisconsin Restaurant Association

NPC International, Inc. Announces Closing of Acquisition of 191 Units and Sale of 70 Units to Pizza Hut, Inc.

NPC International, Inc. announced that it has closed the transactions contemplated by two previously announced agreements signed with Pizza Hut, Inc.: (i) an Asset Purchase Agreement, as amended pursuant to which NPC agreed to purchase from PHI 89 Pizza Hut units for \$26.0 million in cash. (ii) an Asset Purchase and Sale Agreement, as amended pursuant to which PHI agreed to purchase from NPC 70 Pizza Hut units for \$18.8 million in cash and NPC agreed to purchase from PHI for cash 102 Pizza Hut units for \$26.1 million. The units sold by PHI include 41 fee-owned locations. NPC acquired one of these properties included in the APA and is leasing 40 of them from PHI. The units sold by NPC include 2 fee owned locations that are being leased to PHI. The units sold pursuant to the PSA are expected to result in a material non-cash loss for NPC due to the anticipated write-down of intangible assets including franchise rights and goodwill relating to the sold stores. NPC currently estimates that the amount of the pre-tax charge will range from \$29 million to \$32 million. The final charge will be determined following the completion of certain asset valuations, and the amount is subject to change based upon completion of the process. The final charge will be determined and recorded in the fourth quarter of fiscal 2008. The transaction was funded by the proceeds from the sale of Pizza Hut units to PHI, approximately \$13.5 million of available cash reserves and borrowings on the Company's \$75.0 million revolving credit facility.

Source: NPC International, Inc.

Rita Restaurant Corp. Launches First Franchise Program for Don Pablo's

Rita Restaurant Corp. of Madison, Ga., announced today its first-ever franchising program for its flagship brand, Don Pablo's. The company plans to franchise many of its existing 40 company-owned restaurants as well as new Don Pablo's restaurants. Plans call for 30 franchised restaurants by 2012. "Don Pablo's is a brand with a great legacy and legions of fans. This franchising program will help us build the brand by partnering with great restaurateurs in-market. Our franchisees' operational prowess combined with our great brand and excellent locations will fuel our growth plans," said Kurt Schnaubelt, executive vice president, franchise development for Rita Restaurant Corp. "Don Pablo's is one of the great American restaurant brands known for great food, warm hospitality and a terrific value. We're excited to share that with our franchise partners." Rita Restaurant Corp. is offering for sale cash-producing restaurants under their re-franchising effort of selling corporate locations to franchisees. In addition, both single- and multi-unit franchise licenses will be offered in existing and new markets. Investment costs are \$40,000 per restaurant for the initial franchise fee and \$10,000 for each additional restaurant. Franchise candidates must

have successful restaurant business experience in the desired market as well as aggregate net worth (personal or ownership team) of \$750,000 including \$250,000 in liquid assets per restaurant. "We want to be creative and franchisee-friendly in both our criteria and our transactions in an effort to attract high-caliber, quality franchise prospects," Schnaubelt added. Paul Seidman, chief operating officer for Rita Restaurant Corp., said the company will initially focus franchise growth on markets where there are Don Pablo's currently operating. Targeted markets currently include Philadelphia, Pittsburgh and Baltimore/Washington in the Northeast; Indiana, Cincinnati and the state of Michigan in the Midwest; Dallas in the Southwest; and Orlando in the Southeast. However, the company will also consider franchise locations in new markets domestically. "While our initial goal is to further penetrate existing Don Pablo's markets, what we're most interested in at this time is finding the right franchise partners. We want business operators and entrepreneurs who have the experience, enthusiasm and customer-centric focus to be the driving force in moving Don Pablo's into the future," Seidman noted.

Source: Don Pablo's Operating, LLC, a subsidiary of Rita Restaurant Corp.

Pizza Inn Announces Newest International Restaurant in Al Rai, Kuwait

Pizza Inn, Inc. announced the scheduled opening of the first of 20 multiunit development agreements in Kuwait with Raja Company W.I.I. The store, located in Al Rai, Kuwait, offers traditional delivery, dine-in and carry out services. The Raja Group of Companies (formerly known as Raja Trading Est.), located in Kuwait City, Kuwait, is owned and operated by chairman Waleed Adulla Al Ayoub, Managing Director Rohit Mirchandani and Director Mohit Mirchandani. Established in 1962, the Raja Company specializes in the region's petroleum, construction and energy industries in addition to marketing, logistics and food and beverage services. "We are eager to see our first store open with the Raja Company in Kuwait," states Charlie Morrison, President and CEO for Pizza Inn. "This opening marks the first of two openings scheduled to happen by year end. We are excited for Rohit and his team as they embark on a great opportunity with the Pizza Inn brand. "Customers love the variety and quality our Pizza Inn brings to Al Rai," states Rohit Mirchandani. "We are achieving our goal of taking the brand to new heights throughout Kuwait as we plan on opening our second location in early December of this year." The partnership with the Raja Company also utilizes the valuable support services of United Food Company, Pizza Inn's master licensee for Saudi Arabia and Qatar. United Food Company (UFC) serves as training hub for Pizza Inn restaurants in the MENA Region and throughout Asia. "This opening would not have happened without the outstanding support of UFC to our franchisees in the Middle East. By combining UFC's development, training and operational support with the ability to provide food and supplies through our NORCO Restaurant Services division, we have developed and implemented an infrastructure vital to continued international success," stated Morrison. United Food Company, a division of the A. Abunayyan Group, based in Riyadh, Saudi Arabia, reaches thousands of customers in more than 50 owner-restaurants in Saudi Arabia and Qatar alone.

Source: Pizza Inn, Inc.

Interest in U.S. Culture Helps Hooters Overseas

With futuristic skyscrapers towering above the British colonial architecture of its past, Shanghai would never be mistaken for the United States. Except, perhaps, inside the American Owl restaurant. On a recent afternoon, a dozen customers ate Buffalo wings and hamburgers, watched football games and listened to the sound system blaring Mustang Sally. The American Owl — the Chinese name for Hooters — has expanded to five restaurants in three cities in China. Patrons like to watch U.S. sports and eat comfort food, owner Jim Li says. The American Owl has capitalized on such trademarks of American culture to prosper in China. Since opening the first American Owl in 2004, owner Jim Li has expanded the chain to five restaurants in three cities. "Hooters has a great market potential in China," said Li, who plans to expand further in China, Hong Kong and Macao. "As Chinese get richer, they are looking for restaurants with more atmosphere." Atlanta-based Hooters of America hopes that prognosis means a bright international future for the franchise. Since the first Hooters outside the United States opened in Edmonton, Alberta, in 1996,

the number of international locations has grown to 67 in 26 nations including Mexico, Singapore and Australia. Next year the number of new international locations is likely to surpass new domestic locations for the first time, said Mike McNeil, marketing vice president for Hooters of America. The shift has been driven partly by constraints on further U.S. growth. Shanghai is a long way from Hooters origins. In China, about half of American Owl customers are foreigners who come to watch U.S. sports and eat comfort food, said Li, who grew up in Shanghai, moved to Las Vegas in 1988 and now splits his time between China and Greensboro, N.C. But Chinese are patronizing Hooters in increasing numbers. As Western culture has become more prevalent in China, "Chinese are more and more interested in trying restaurants like Hooters," said Wang Huili, a food industry consultant in Shanghai. Though management has added local dishes to the menu to attract more Chinese patrons, "we definitely will keep this an American restaurant," said Li, 46. "We want people to come here for the atmosphere." Younger Chinese have grown up eating Western foods. Kentucky Fried Chicken opened the first American fast-food restaurant in China in 1987, and other chains quickly followed. "Younger Chinese are pretty open-minded and they want to try new things," said American Owl manager Xu Fan. Next year, 23 Hooters restaurants are scheduled to open overseas, including the first franchises in Thailand, San Salvador and South Africa.

Source: Palm Beach Post-Cox News Service



Welcome to Hotelex - Asian Trade Show for Innovative Hospitality!

Hotelex has become the main event to showcase the future of Asian hospitality, gathering many brands of catering equipment, food & beverage and wine as well as furniture & furnishing, textile and uniform, tableware and many other hotel related services and products. Last year, Hotelex attracted more than 50,000 local and international trade buyers. Meanwhile, special events such as Hotelex Cup Chef Championship, China Barista Championship, Hotelex Bartender Show and many others were well received from the audience in the past and Hotelex is continuing to bring more such events to its visitors thus creating an environment where visitors can learn about the latest trends and innovations in Asian Hospitality Industry. Hotelex is

- One of the biggest hospitality industry events in Asia;
- Premium showcase of Food & Beverage and other hotel related supplies;
- China biggest presentation of coffee & tea;
- Meet about 1,000 exhibitors from Asia- Pacific Ocean, Europe and America.
- 17 years' service of excellence with increased and specialized product categories;
- Meet the industry leaders and source from a wide and comprehensive selection of hospitality industry goods and service;
- Get in touch with professionals and learn about the latest trends and innovations in the Asian hospitality industry,
- A perfect venue paired with infrastructure is waiting for you in an exciting city. Hotelex Shanghai 2009 will take place March 31- April 3, 2009, at the Shanghai New International Expo Center Hall E1 - E5.

Source: Hotelex 2009

McDonald's Owners Open First Charity-Themed Restaurant

Husband-and-wife business owners Ron and June Hoffman, operators of three McDonald's restaurants in Fort Worth, already had decorated their stores with a golf theme and a nostalgic '50s theme. When it came time to choose the décor for their latest location, the couple, both longtime supporters of Ronald McDonald

House Charities, had a creative attack. "Why don't we decorate it with the idea of giving back to the community?" June Hoffman said. With a hip, contemporary architectural style and featuring a McCafé, plasma TVs, a Parent Zone and state-of-the-art indoor gym, the couple's new South Fort Worth store at 4375 Risinger Road is the first-ever themed Ronald McDonald Charities restaurant in Texas and only the second one in the country. The eatery, which officially opened Nov. 15, is highlighted with photographs and messages all carrying the RMHC theme, and plans call for additional posters to be placed around the diner with facts about Ronald McDonald House of Fort Worth. "Our heart is really in this," said June, who serves on the boards of Ronald McDonald House of Fort Worth and Ronald McDonald Charities of Greater North Texas. "The opening of this restaurant with the charity theme is our way of focusing on it 24/7 and educating the public about the need of giving back." A home away from home since 1981 and known as "The House That Love Built," the Fort Worth Ronald McDonald House serves families of seriously ill children receiving medical treatment at a nearby hospital. With an annual budget of about \$1 million, the Fort Worth House is supported by \$75,000 that comes from McDonald's restaurants. The Fort Worth House is one of 281 Ronald McDonald Houses located in more than 30 countries and regions. "Since we share a valuable partnership with McDonald's through Ronald McDonald House Charities, it is very important for us to involve area McDonald's owner/operators with the local House," said Jennifer Johns, executive director of Ronald McDonald House of Fort Worth. She said many people don't know what a Ronald McDonald House is, or that there are two other core programs of RMHC – the Ronald McDonald Family Room and Ronald McDonald Care Mobile. "The general public has no idea that RMHC gives thousands of dollars each year in grants to other children's organizations and provides college scholarships as well," Johns said.

Source: FortWorthBusinessPress.com

New York's Pizza Company to Enter India

New York-based pizza chain Famous Famiglia is all set to enter India through the franchise route and is scouting for partners. "We will open our first outlet in about a year and will rely exclusively on our channel partners to expand in the country," Giorgio Kolaj, company co-founder and executive vice president, told IANS in an interview here.

"The chain will be opening its first outlet at the Bangalore airport, and will be targeting locations like airports and major metros in the first phase of the entry," he said. Kolaj identified Mumbai, Delhi, Hyderabad and Chennai as the metros that his company was targeting in the initial phase. However, Famous Famiglia doesn't plan to open company-owned outlets and will appoint a master franchisee for its Indian operations very soon, he said. The prices of its offerings will be comparable to that charged by other western quick service restaurants and fast pizzeria chains, Kolaj said, but played down competition Famous Famiglia faced from established pizza chains like Pizza Hut and Dominos. "The key for new entrants in any business is differentiation and we believe that our offerings will make us stand apart from the rest of the competition. For instance, we have something called 'Pizza by the Slice' - each slice of a pizza can have a different topping giving you variety at the same cost," he said. While Pizza Hut and other popular chains have high advertising spends, new entrants have not been very big on this front. However, Kolaj said exclusivity and product differentiation would help the chain grow faster rather than big ad spends. "We are not against ads or celebrity endorsements, but really that is the mandate of the master franchisee; they will be doing the spending. However, I would say that local celebrity association is something that we do as well," he added. Famous Famiglia, founded by the Kolaj family in 1986, has expanded to more than 100 outlets worldwide by targeting captive markets such as airports, motorways, universities, shopping centres, casinos, stadiums and theme parks.

Source: Sify.com, India/Indo-Asian News Service

The MAFSI Business Barometer Points to a Steep Ddownward Ttrend with a Forecasted Decline of –4.7% for Q4/08

Overall sales for Q3/08 contracted by – 2.8%, the third consecutive quarter of negative growth and the seventh quarter of the current slowdown. This actual performance was more negative than the – 1.1% decline that had been forecasted for that quarter. This decline ranged from –4.6% in the South, –3.6% in the West, –2.8% in the Midwest, – 2.2% in the Northeast and –0.6% in the previously resilient area of Canada. All product categories were hit with negative growth, led by equipment at –3.1%. The MAFSI Business Barometer points to its steepest drop on record with a fourth quarter decline projection of –4.7%. Of particular concern is the fact that 66% of MAFSI reps report a decline in the volume of quotations, while 11% report an increase and 23% see the same level. Our industry has moved from a period of growth and inflation to one of stagnation and inflation (referred to as "stagflation"). It now appears that we are on the brink of deflation as demand shrinks and commodity prices decline. The recession is here and the only questions that remain are how deep? And how long?

Source: Manufacturers' Agents Association for the Foodservice Industry (MAFSI)

New Phoenix Restaurant Based on Ddoctor Concepts

More and more, restaurants are jumping on the healthy eating bandwagon, but let's face it; it's still not easy to find a healthy meal when you're out. But one Valley restaurant is hoping to change all that. True Food Kitchen in east Phoenix was created through the brainpower of two Arizonans. It is full-service restaurant developed by Fox Restaurant Concepts, founded on the principals and lifestyle approach of Dr. Andrew Weil. The restaurant recently opened at the Biltmore Fashion Park and is spearheaded by Executive Chef Michael Stebner. The menu features globally inspired, nutrient rich dishes including whole grains, healthy fats, fresh organic fruits and vegetables, whole soy foods and healthy herbs and spices. The menu features a wide variety of choices including soups; appetizers; salads; pasta, rice and noodle dishes; wood grilled dishes; sandwiches and burgers; brick oven pizzas; and desserts. The True Food Kitchen is also a great place to stop by for a quick drink, with its selection of coffee drinks, house-made energy drinks and coolers, hot and cold tea, sparkling wine cocktails, wine, organic and low calorie beer, and sake all of which complement the menu. All of the wine selections were chosen based on the wineries' commitment to organic, biodynamic and/or sustainable farming practices.

Source: KNXV-TV Phoenix

NexCen Brands Announces Marvin Traub Resigns from Board of Directors

NexCen Brands, Inc. announced that Marvin Traub has resigned from its Board of Directors, effective December 4, 2008. Mr. Traub was elected director of NexCen Brands, Inc. on May 2, 2007. David S. Oros, Chairman of NexCen Brands stated, "Marvin brought to the Company's board a wealth of experience and insight, especially with respect to the retail and consumer goods sector. We are grateful for his sage counsel throughout his tenure and in connection with the Company's exit from its retail licensing businesses. On behalf of the board, our shareholders and employees, I thank Marvin and wish him the best."

Source: NexCen Brands, Inc.

Farmer Bros. to Acquire Sara Lee's Direct-Store Delivery Coffee Business. Would Nearly Double Revenues and Extend Reach Nationwide

Farmer Bros. Co. announced a definitive agreement to acquire from Sara Lee Corp. its U.S. direct-store delivery (DSD) Foodservice coffee business. The \$45-million acquisition is expected to nearly double Farmer Bros. revenue, extend its reach to all 48 mainland states and make it the nation's largest direct-store delivery business for coffee and allied products. "This acquisition will allow us to quickly achieve our

long-term goals of coast-to-coast market penetration, cost reductions and margin improvements as a result of economies of scale, and improved returns on our invested capital,” said Rocky Laverty, Chief Executive Officer of Farmer Bros. Co. “This is a once-in-a-lifetime opportunity for Farmer Bros. “As we integrate the Sara Lee Foodservice DSD coffee business into Farmer Bros., we will be able to deliver a more robust portfolio of products to meet every taste and price point while providing a truly national network for distribution and service,” added Laverty. “We will have more of the tools to help our customers – from national chains to independent restaurants – compete with ‘the perfect cup’ of coffee.” Through the transaction, Farmer Bros. will acquire more than 20,000 additional customers; the Foodservice coffee business’ sales and distribution staff and infrastructure (including more than 60 “branch” facilities and a fleet of vehicles; a major coffee manufacturing plant in Houston; a distribution and spice facility in Oklahoma City); and 10 popular coffee brands, including a leading institutional brand, Superior Coffee. Also, several members of the Foodservice coffee business’ senior management team have agreed to join Farmer Bros. Farmer Bros. expects the acquisition to contribute incremental positive cash flow within six to 12 months after the closing. This will be done through lowering corporate expenses and reducing warehousing and transportation costs. The full cost savings and profit enhancements from the combination are expected to be achieved over three years after the closing. Farmer Bros. has developed a detailed integration plan, which will be implemented by executives from both organizations. “Our first priority after the closing will be to maintain excellent customer service throughout the organization. By the second year we expect to begin capturing more of the cost savings and economies of scale that can lead to margin improvements and operating profitability,” said Drew H. Webb, Executive Vice President and Chief Operating Officer, who will lead the integration process. “The integration process also will focus on ways to help customers become more competitive – in particular, we will look for opportunities to present customers with a broader range of choices of the popular brands from the Sara Lee Foodservice DSD coffee business and Farmer Bros. as well as the specialty coffee roasts and marketing programs from Coffee Bean Intl., which we acquired in 2007,” added Webb. “The ultimate goal of our integration process will be to position the combined organization to efficiently compete both locally and nationally in all of our market segments – even in difficult economic environments.”

Source: Farmer Bros.



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ZOËS KITCHEN Announces Dollarhyde as CEO, Hornsby as COO

Fast casual chain ZOËS KITCHEN announced that Greg Dollarhyde, currently Executive Chairman of the Board of Directors, will also assume the role of President and CEO, replacing co-founder John Cassimus. Cassimus has decided to pursue other entrepreneurial interests, including assisting with the development of entrepreneurial studies at universities. Greg Dollarhyde, a restaurant industry executive with over 37 years of experience, has served as the company’s Executive Chairman since Brentwood Associates and he made a significant investment in the company a year ago. In his career, Dollarhyde has served as the Chairman or the CEO of six different restaurant companies, including the CEO position at fast casual chain BAJA FRESH where he led its rapid growth from 40 restaurants to more than 200 restaurants in four years, and leading to its eventual sale to WENDY’S. Currently, Dollarhyde also currently serves as the Executive Chairman of Pacific Island Restaurants, another Brentwood portfolio company, that is the exclusive franchisee of 91 PIZZA HUT and TACO BELL restaurants in Hawaii and Guam. Commenting on the new

responsibilities, Dollarhyde said: "ZOËS KITCHEN is perfectly positioned in the fast casual space with its clean flavors and extremely loyal customers. I think we have a great chance here to build a substantial, iconic brand and I'm thrilled about the opportunity to develop a strong team and accelerate the growth as we double our sales in the next 18-24 months." In keeping with that goal, Dollarhyde announced that the company has hired Trey Hornsby to run the company's operational effort as Chief Operating Officer. Hornsby is leaving his cross-functional responsibilities as Senior Director of Global Restaurant Excellence for YUM! Brands to join ZOËS in this new role. When asked why he chose ZOËS KITCHEN, Trey said: "I am really looking forward to the entrepreneurial challenges and leadership opportunities that a company like ZOËS can bring. I love the concept and I'm excited to use my team-building skills to lead operations through their substantial growth phase."

Source: Zoe's Kitchen USA, LLC

Jack in the Box Inc. to Switch Stock Exchange Listing to NASDAQ; Company's New Ticker Symbol will be JACK

Jack in the Box Inc. announced that it will move its stock exchange listing from The New York Stock Exchange to The NASDAQ Stock Market, effective Dec. 15, 2008. The company will change ticker symbols that day and will begin trading under "JACK." "Just as Jack in the Box® has been an innovator in the quick-serve restaurant industry, NASDAQ has been an innovative force in the financial markets," said Carol DiRaimo, vice president of investor relations and corporate communications for Jack in the Box Inc. "We are excited about the unique marketing venues NASDAQ offers through which we can promote both our Jack in the Box and Qdoba Mexican Grill® brands." "We look forward to being a strategic partner to Jack in the Box Inc. as it continues to expand its Jack in the Box and Qdoba restaurant brands in the U.S.," said Bruce Aust, executive vice president of The NASDAQ OMX Group, Inc.

Source: Jack in the Box Inc.

DDIFO Names Acting President. Jim Coen Assumes Role as Nationwide Search Begins

The DD Independent Franchise Owners Group, which represents the largest association of Dunkin' Donuts franchise owners in the U.S., has named Jim Coen, a member of the DDIFO Board of Directors, as its acting President and Chief Operating Officer. He takes over December 1, 2008 from Mark Dubinsky who has tendered his resignation after two years as DDIFO President. Mr. Coen is Executive Director of the New England Franchise Association and founder of Franchise Perfection. He has been a director of and the Clerk for the DDIFO board since May, 2008. In his interim role as acting president Coen will continue DDIFO efforts to support all franchisees. "I thank the board for the confidence they have placed in me, I look forward to working with the Board and the members. DIFO has incredible opportunities to support existing members, implement its mission, grow membership and improve the organization's capabilities," said Coen. "We are very pleased to have Jim Coen assume the role of acting President of our organization," says Kevin McCarthy, Chairman of the DDIFO board. "This is a critical time for franchisees because of the economic uncertainty. The DDIFO board is confident that Jim's experience and skills will serve members well during this transitional period. We are also very grateful to Mark Dubinsky for all he did on behalf of the DDIFO and wish him continued success in his business endeavors." Dubinsky says, "I have been honored to serve as DDIFO president and am gratified by the many successes we enjoyed over the past two years, including the passing of the Rhode Island Fair Dealership Act and the addition of new, valuable business services for our members." DDIFO is currently engaged in a nationwide search for a permanent successor to Dubinsky.

Source: DD Independent Franchise Owners Group

Arby's® Names Steve Davis Chief Marketing Officer

Tom Garrett, President and CEO of Arby's Restaurant Group, Inc. announced that Stephen H. Davis has been named Chief Marketing Officer for the Arby's brand effective January 5, 2009. Davis assumes this position from Cheryl Barre who resigned earlier this year. In this position, Davis will lead all strategic brand marketing efforts including product development, national and field marketing, advertising, media, consumer insights and research. "Steve has proven his exceptional strategic marketing ability and brings respected results-oriented leadership to the Arby's brand," said Garrett. "He has strengthened restaurant and beverage companies in highly competitive industries and successfully marketed both new and mature brands. Adding Steve completes the Arby's brand leadership team." A seasoned veteran, Davis brings more than 25 years of marketing and management experience to the Arby's team. Among his prior positions, Davis served as Senior Vice President and Chief Marketing Officer for Heineken North America, where he was responsible for all aspects of marketing for the \$2 billion operating company of the world's largest international brewer. Under his leadership, the company repositioned the Heineken brand and added several new brands to the portfolio. Davis also held senior leadership positions for both the Pizza Hut and Pepsi-Cola brands for PepsiCo, Inc. After joining Pizza Hut in 1984, he held several regional marketing positions and assumed the position of Vice President, National Marketing and Public Relations in 1989 with overall marketing responsibility for the \$4.5 billion chain of 8,000 restaurants. His track record of proven results led to reassignments and promotions to senior marketing positions with Pepsi-Cola in the U.S. and Canada. "I'm both honored and excited to become part of the Arby's team. It is truly one of the great brands in the restaurant industry with both an outstanding history of success as well as tremendous potential for growth," said Davis. "I look forward to joining such a talented and experienced team of professionals."

Source: Arby's Restaurant Group, Inc.

Del Taco Names Tom Johnson Director of Consumer Insights

Del Taco announced that Tom Johnson has joined the company as director of Consumer insights, a new position for the Mexican quick-serve chain. Johnson is responsible for developing and executing research plans, tools and processes for Del Taco's business growth. Johnson reports to Peter Honer, vice president, business insights and planning.

Before joining Del Taco, Johnson spent ten years with Lieberman Research Worldwide including serving as assistant general manager of the Orange County office where led research projects for QSR and other clients. Johnson holds a bachelors degree in marketing from CSU, Fullerton. "Tom adds a strong research and analytical depth to our insights team, which is working to help Del Taco build an even greater connection with customers," said Pete Honer, vice president business insights and planning at Del Taco.

Source: Del Taco

Triam Partners Announces Final Results of Tender Offer for Shares of Wendy's/Arby's Group. Triam Partners Purchases Approximately 49.4 Mmillion Shares

Triam Fund Management, L.P. announced the final results of the cash tender offer by funds managed by it (collectively, "Triam Partners") for up to 40 million shares of Wendy's/Arby's Group, Inc., Class A Common Stock, which tender offer expired at 12:00 midnight, New York City time, on Friday, December 5, 2008. As previously reported, Triam Partners purchased 49,395,394 shares of Wendy's/Arby's Class A Common Stock in the tender offer at a purchase price of \$4.15 per share, for a total purchase price of \$204,990,885.10. The 49,395,394 shares purchased pursuant to the tender offer are comprised of the 40 million shares Triam Partners offered to purchase and 9,395,394 shares purchased pursuant to Triam Partners' right to purchase up to an additional two percent of the outstanding shares of Wendy's/Arby's, without extending the tender offer in accordance with applicable securities laws. Based on the final tabulation by American Stock Transfer & Trust Company, LLC, the depositary for the tender offer, 216,909,065 shares of Class A Common Stock were properly tendered and not withdrawn in the tender offer, resulting in a proration factor of approximately 22.772%. American Stock Transfer & Trust Company will promptly issue payment for the shares validly tendered and accepted for payment and will

return all other shares tendered. Following the purchase of the shares, Trian Partners and its affiliates have increased their aggregate beneficial ownership in Wendy's/Arby's from 52,059,387 shares to 101,456,002 shares, or from approximately 11.1% to approximately 21.6%, respectively, of Wendy's/Arby's outstanding Class A Common Stock.

Source: Wendy's/Arby's Group, Inc.

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



Thank you for reading The Global Foodservice E-Newsletter!

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