



May 17, 2010

Arby's Gets New President Amid Struggles

Atlanta-based Wendy's/Arby's Group has a new leader for its Arby's division as the roast beef sandwich seller tries to launch more effective advertising and become known as an affordable option. Industry veteran Hala Moddelmog, 54, has been named president of Arby's, charged with turning around the brand and focusing on bringing more customers to its restaurants. She returns to the restaurant chain where she started her business career. Arby's has been without a permanent leader since late January, when president and CEO Tom Garrett left the company. The division, whose menu has typically skewed towards higher prices than those of other fast food chains, has struggled to adapt to an economic environment in which diners are looking for cheap deals. Sales and profit margins have fallen in recent quarters amid discounting by competitors. Roland Smith, CEO of Wendy's/Arby's, said on a conference call with analysts earlier this year that the company has "a very solid plan" to turn around Arby's this year. But he acknowledged that rolling out a new dollar menu, a key component of the plan, is "going to take a little bit of time." Moddelmog, an Atlanta resident, started her business career in 1981 as a market research manager for the Arby's franchise marketing association. She returned to the association in the early 1990s as a vice president. Moddelmog's experience with the Arby's brand and its franchise system "will enable her to quickly immerse herself in brand-building strategies to grow store sales and profitability," Smith said Wednesday in a statement.

Source: The Atlanta Journal-Constitution/ Wendy's/Arby's Group

Pizzeria Uno Parent Close to Exiting Bankruptcy

A U.S. bankruptcy judge has confirmed bankrupt Uno Restaurant Holdings Corp.'s disclosure statement, which calls for senior lenders to take over company ownership, according to court documents. Company stakeholders will now vote on the proposals and their decisions are due by June 14. If supported by lenders, senior secured noteholders will own 100 percent of the new common stock of the company, according to the plan filed in New York bankruptcy court. General unsecured creditors will not be repaid by the bankrupt company, but the majority noteholder group has agreed to buy some claims for 10 percent on the dollar. Uno Restaurant Holdings, the parent of the Uno Chicago Grill pizza chain had already received support from lenders for a pre-negotiated reorganization plan before filing for bankruptcy in January. Uno said in court documents it invented the Chicago-style deep-dish pizza in its original Pizzeria Uno restaurant in Chicago in 1943. The company expects to emerge from bankruptcy with 90 full-service, company-owned restaurants and 77 franchised locations. Uno forecast restaurant sales of \$221 million in fiscal 2010, falling to \$213 million the following year due to closing some locations. Sales are expected to rise to about \$276.6 million in 2014, according to court documents. The confirmation hearing is scheduled for June 21 before U.S. Bankruptcy Judge Martin Glenn.

Source: Reuters



Starbucks Targets Regular Joes. Firm to Offer Second Coffee Brand—Its Seattle's Best—in Fast-Food Outlets, Supermarkets, Machines

In a counterattack against its lower-priced fast-food rivals, Starbucks Corp. plans to roll out a second coffee brand. By autumn, Seattle's Best Coffee—a former competitor Starbucks acquired seven years ago—will be sold in about 30,000 fast-food outlets, supermarkets and coffee houses, the company said. Currently, Seattle's Best coffee and coffee beans are sold in the chain's own shops inside nearly 500 Borders bookstores, as well as in about 2,500 supermarkets. Eventually, Starbucks said, the brand will also be sold in convenience stores, drive-through kiosks, coffee carts, vending machines and mobile trucks. The company has already reached deals to sell Seattle's Best at Burger King and Subway restaurants and at AMC Entertainment Inc. movie theaters. The new push by Starbucks is a response to the invasion of the specialty-coffee market by McDonald's Corp., Dunkin' Donuts and other fast-food chains, which offer espresso-based drinks at lower prices than Starbucks. Especially during the recession, the incursion appeared to hurt Starbucks, which suffered a decline in same-store sales and closed hundreds of stores. In recent years, as McDonald's produced big sales gains inside existing stores, Starbucks has struggled to expand beyond a limited menu and a largely morning clientele. In a presentation last week to the Starbucks board, executives unveiled a new logo for Seattle's Best, along with a new motto: "Great Coffee Everywhere." The motto reflects the Starbucks theory that the success of McDonald's and others in selling coffee has created a fresh opportunity to sell a mass-market brand. The new strategy carries risks. Starbucks owns and operates its coffee shops. But despite the challenge of maintaining quality control, it will seek to expand the Seattle's Best coffee-house chain through franchisees operating stores as large as 1,400 square feet and as small as 200 square feet. Starbucks says its risks are small because it has barely 4% of the U.S. market for brewed coffee, and Seattle's Best's potential rests with consumers of mass-market brands. "The people who always drank a cup of Joe still want just a cup of Joe," Mr. Ehlers says. "But nowadays they want it to be good."

Source: The Wall Street Journal

The Middleby Corporation to Acquire PerfectFry Company Ltd.

The Middleby Corporation announced it has entered into an agreement to acquire the net assets and operations of PerfectFry Company Ltd., a leading manufacturer of ventless countertop frying units for the commercial foodservice industry. Located in Alberta, Canada with approximately \$4 million in annual sales. The transaction is expected to close in June 2010 and will be financed under Middleby's senior revolving credit facility. With this acquisition, Middleby continues to expand its portfolio of leading brands and technologies in the cooking and warming segments. Selim A. Bassoul, Middleby Chairman and Chief Executive Officer, said, "We are very excited to add the unique product line of Perfectfry to complement our industry leading platform of frying technologies. The compact design and ventless technology of the Perfectfry product line provides a foodservice operator with the ability to offer fried foods in non-traditional locations utilizing a low cost solution. The fully enclosed design also provides for increased safety to the foodservice operator. Perfectfry has been recognized by the National Restaurant Association as a recipient of its Kitchen Innovation Award in 2006 and again in 2010." Mr. Bassoul continued, "This acquisition complements our Turbochef, Cooktek, and Wells brands, establishing Middleby as a leader in ventless cooking solutions for the commercial foodservice industry." Statements in this press release or

otherwise attributable to Middleby regarding its business which are not historical fact are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Middleby cautions investors that such statements are estimates of future performance and are highly dependent upon a variety of important factors that could cause actual results to differ materially from such statements. These risks are detailed from time-to-time in Middleby's SEC filings.

Source: The Middleby Corporation

Ralph Lauren's Latest Move Shines Light on Paris Burger Wars

The chief burgermeister of Paris was not amused when Ralph Lauren recently started selling designer meats from his Colorado ranch in a 16th-century limestone mansion on the Boulevard Saint-Germain. Lauren, world famous in fashion circles, makes American clothes in Indonesia. Now, he has hired a French chef to make American hamburgers in Paris. "Ralph has no reputation in burgers," says Jonathan Goldstein, whose 20-year-old chain of three Coffee Parisien soda-fountain-grub restaurants in 2009 served 120,000 hamburgers at 14.50 euros (\$18.40) a fistful; 7,558 bottles of Heinz ketchup; 8,454 jars of Gulden's Spicy Brown mustard and 90,000 cans of Coca-Cola. The "fifty-something" burger king from New Hampshire points a French pickle at Ralph's menu. "This escalates the Paris burger wars," Goldstein says of the 27 euro Black Angus burger with "heirloom" tomato slices that Lauren offers folks shopping in his new five-floor Left Bank emporium. Money is on the table. Coffee Parisien attracts 300,000 customers a year. The average individual tab is 25 euros, for an annual gross of 7.5 million euros. Even by the often daft luxury standards of Paris -- where Louis Vuitton sells calf-leather diaper bags for \$1,300 and around \$700 buys a fourth-hand Christian Dior dog collar -- there's something exceptionally balmy about the business of the bespoke Francoburger. Sailors' Snack. Historian Giovanni Ballarini, author of "The Origin of Hamburgers and Ketchup," says ground-beef patties first appeared on the wharves of Hamburg in the 17th century. German sailors carried the longshoreman's snack to the U.S., where Dick and Mac McDonald in 1940 opened McDonald's Bar-B-Que in San Bernardino, California, and charged 15 cents a burger. "The French were once ashamed to be seen eating a burger," Goldstein recalls as a waitress pokes a paper U.S. flag on a toothpick into Coffee Parisien's signature double-decker Obamac. "Now Ralph has joined every Michelin chef who's trying to nobilize it." Goldstein says American burger joints in Paris are no longer considered "cabarets borgnes," suspicious cafes. The city's chefs nowadays cook up some 100 high-class hamburgers, from the 9.50 euro mushroom Swissburger at the Breakfast in America diner to three-star chef Yannick Alleno's 35 euro French chuck-and-beef-rib smoked bacon cheeseburger in Le Dali lunchroom at the swank Hotel Le Maurice. Regional kitchens along the French-Swiss border specialize in horseburgers. That leaves the conflict between French and American burger-eating etiquette the only struggle the Yanks have a possibility of winning, though Burger King Corp. packed its buns in 1998, closed the chain's 39 French outlets and left McDonald's Corp. the last American brand with the marketing clout to coerce a nationwide shift from forks to fingers. Indeed, the deviationists were much in the majority on a recent spring afternoon at the 7-month-old McDonald's outlet beneath the [Louvre](#), where flustered French moms prudently mopped Happy Meal glop from the hair and sneakers of young children on a school cultural outing. "Don't eat like a savage," one mother chastised before the ketchup-splattered pack went to relish the Mona Lisa. Lauren's thin 27 euro Ralphburger and Yannick Alleno's timid 35 euro Michelin three-star burger, even when cooked rare, are failures in fat, taste and aroma in comparison to the handcrafted 14.50 Goldsteinburger at Coffee Parisien. So when the urge for a burger strikes on your next trip to Paris, make sure the chef spent a few years learning the secrets of the trade on a backyard grill.

Source: Bloomberg.com

KFC Seeks Major Expansion in France

Yum Brands Inc.'s KFC brand is plotting a deeper move into France, hoping that the Colonel's recipe will strike the taste of a broader swath of French consumers. This week, KFC launched its first round of national television advertisements in France as it gets set to open its 100th store there, giving it the scale needed for a broad marketing push. KFC plans to have 300 stores in France by 2015, and sees a possible

tenfold increase over time. "One day I'd like to have over 1,000 stores here, though we're going to take it 100 by 100" at a time, Ivan Schofield, general manager of KFC France, said in an interview. Yum, the world's largest restaurant operator with more than 37,000 locations, is one of the largest retail developers in the world, a key strategy underpinning its growth. With the U.S. fast-food market mature, China has become by far Yum's most crucial growth market, and the company is also starting a major expansion in India to open 1,000 stores. Even though these two fast-growing markets dwarf France in terms of population, Yum executives see KFC's France business as an anchor for what could be a broader expansion in continental Europe. KFC's European footprint is under 800 restaurants, lagging behind burger chain McDonald's Corp., with about 5,600. "It's their most important market in Europe," Stifel Nicolaus restaurant analyst Steve West said. "Obviously, China's the most important market, but there's a lot of growth opportunity for Yum in France." Fast-food competition remains less intense in France, where McDonald's and local operator Quick dominate the market. In addition to relatively tame competition, France has another major appeal: It is one of the largest dining-out markets in Europe. Many French consumers still frequent locally owned, corner restaurants, but fast food has made headway as diners cut their lunchtime down to 30 minutes or so, Mr. Schofield said. France's fast-food customers also tend to prefer full meals with desserts, rather than just sandwiches, which bring the average sale to between €6 and €8 (about \$8 to \$10.50) at KFC. As a result, KFCs in France make more money than anywhere else in the world. Stores, on average, reach sales of \$4 million a year, about three times that of the average KFC elsewhere in the world. KFC initially got off to a meek start in France. Its former parent PepsiCo Inc. opened just seven locations 1992 before abandoning the effort to expand elsewhere. Yum came back to France in 2001, as McDonald's started investing in its stores there. KFC found itself an underdog, and positioned itself as a challenger brand. KFC tailored its menu to local preferences, introducing items like the Boxmaster, chicken and other fillings wrapped in a tortilla, and Brazer, a grilled line of products. Yum has invested more than \$300 million in its France business since 2001, and is now profitable, although Mr. Schofield wouldn't say when it tilted into the black. Though Yum owns and runs most of the stores here, by 2015 it wants to shift more of the development burden to franchisees. By that time, Yum thinks annual profits in France will reach \$100 million.

Source: The Wall Street Journal



Texas Roadhouse Plans to Go International

Texas Roadhouse Inc. executives are betting that the cache of Texas and the sizzle of steak translate to "big money" in Arabic. The publicly traded, Louisville-based chain of steakhouses has signed its first international deal, with plans to launch next year in the Middle East with a large, regional retail developer as the franchisee. M.H. Alshaya Co., based in Kuwait City, will develop 35 restaurants in eight countries during the next 10 years under the franchise development terms. The first location is scheduled to open in Dubai, one of the seven United Arab Emirates, during the first quarter of 2011. Mohammed Alshaya, who owns M.H. Alshaya Co., has built a billion-dollar business by bringing top-flight American and European brands — Starbucks, The Body Shop, H&M department stores — to Middle East countries such as the United Arab Emirates and Kuwait. M.H. Alshaya Co. signed a contract last month with Columbus, Ohio-based clothier Limited Brands Inc. for a franchise partnership to expand its Bath & Body Works stores to the Middle East. No shortcut to quick revenue. In earnings reports, regulatory filings and media interviews, Texas Roadhouse executives have long stated a desire to pursue overseas expansion in Mexico, the Middle East and Asia. But unlike more mature Louisville-based, global brands such as Yum! Brands Inc. and Papa

Jhons International Inc., Texas Roadhouse had not pushed into the global arena until now. In an recent interview, G.J. Hart, Texas Roadhouse's president and CEO, emphasized that the Middle East franchise is a long-term commitment. "The big difference (compared with competitors) is that we're not in a hurry," he said. "This is something that can extend the Texas Roadhouse brand if it makes sense." The company isn't facing domestic market saturation, so it doesn't need foreign markets to drive earnings growth, he said. "We have a ton of runway to go" in domestic sales, Hart said. "We do need to be thinking ... what do we need to do next? Five or 10 years into the future, (the Middle East) could really make a difference." That gives Texas Roadhouse time to build brand and infrastructure "versus, 'We need this revenue. We need this royalty,'" Hart added. Hart, founder Kent Taylor and other company executives said Mexico likely will be the next market the chain will enter, but the company has no pending plans.

Source: Business First of Louisville/Texas Roadhouse Inc.

Rick Bayless, the Chicago Chef, to Prepare a State Dinner

For the Obama administration's second state dinner, the White House has once again turned the cooking over to a guest chef. Rick Bayless has been asked to prepare the elegantly balanced, many layered Mexican food for which he has become famous at the dinner on May 19 that will honor President Felipe Calderón of Mexico. In November, the chef Marcus Samuelsson was put in charge of the state dinner for Prime Minister Mammohan Singh of India. Mr. Bayless was rumored to be the first choice for White House chef after the election because the Obamas spent many date nights in Chicago enjoying the tasting menu at his restaurant Topolobampo. Yes, they love burgers and fries, but they also love to explore the bold flavors and carefully crafted dishes that come out of the Bayless kitchens, which also include Frontera Grill and Xoco. (After the election, Cristeta Comerford was retained as White House executive chef.) Mr. Bayless, who was asked once last year to cook at the White House but had a prior commitment, still can't believe his assignment. "This is probably the biggest honor I've ever had," he said. For all its honor, though, cooking at the White House is trial by fire for a restaurant chef who must perform in unfamiliar surroundings. Mr. Bayless and crew will be coming to Washington two days earlier than planned to begin preparing a 28-ingredient Oaxacan black mole. The White House kitchen garden will supply parsley, chives, lettuce, arugula, radishes and mint for the menu, which also includes a green-herb ceviche similar to one found in Mr. Bayless's next cookbook, "Fiesta at Rick's," to be published in July. Dessert, incorporating local strawberries, will be prepared by the White House pastry chef, Bill Yosses, after consultation with Mr. Bayless. All the dishes are served at Mr. Bayless's restaurants. Ms. Comerford and the deputy White House social secretary sampled the meal at Frontera Grill two weeks ago and signed off on it last week, plunging Mr. Bayless deep into the logistics of banquet catering. "Two hundred is a hard number," he said. "When you get above 100 people for dinner like this you really have to rely on a lot of hands." For the May 19 dinner, many of those hands are not experienced in putting together a Bayless meal. "You have to come up through the ranks to know how to cook the way we cook," he said.

Source: The New York Times

Wendy's/Arby's Opens First International Dual-branded Restaurant In Dubai

Wendy's/Arby's International, a subsidiary of quick-service restaurant company Wendy's/Arby's Group, has opened its first international dual-branded restaurant in Dubai, UAE. The dual-branded Wendy's and Arby's restaurant is located in the Festival City Mall, in the Festival City area of Dubai. The restaurant features a single counter and menu board for ordering and a dedicated seating area, as well as bistro-style seating around the perimeter of the restaurant space. Earlier in June 2009, the quick service restaurant company had signed a 10-year development agreement with Al Jammaz Group, to establish dual-branded Wendy's and Arby's restaurants in segments of the Middle East and North Africa. A subsequently revised development schedule calls for the construction of nearly 80 dual-branded restaurants over the same time period, with an initial focus on development in the UAE. The restaurant company currently includes approximately 10,000 restaurants in the US, and 24 countries and territories worldwide.

Al Jammaz Group is a diversified Saudi conglomerate whose activities cover a range of business categories such as agriculture, foods, retail, IT, travel & tourism, investments and logistics, operates around 200 stores of various international franchises in the Middle East and North Africa. The Saudi group's first free-standing, dual-branded Wendy's and Arby's restaurant is slated to open this summer and will be located in the Emirate of Ajman. The restaurant will feature a pick-up window to serve drive-thru customers. Roland Smith, president and CEO of Wendy's/Arby's Group, said: "Reaching this milestone opens the door for more rapid international expansion. We believe offering customers both of our quality brands under one roof in the international arena will generate higher sales volumes and better return on investment. "This approach will provide customers with an outstanding array of signature menu choices -- from Wendy's made-to-order hamburgers, chicken sandwiches, chili and fresh entree salads, to Arby's premium roast beef and flatbread sandwiches, curly fries and other delicious choices." Ibrahim Abdulaziz Al Jammaz, vice president of Al Jammaz Group, said: "We are honored to be the first company to open an international dual-branded Wendy's and Arby's restaurant. Launching our inaugural restaurant in the UAE is the first step forward in our regional expansion plans. "Our aim is to expand in all the Emirates in the next few years. We are already planning for the opening of the Wendy's and Arby's restaurant in Ajman very soon." All Wendy's and Arby's restaurants located outside of North America are franchised. Wendy's/Arby's Group includes Wendy's International, the franchisor of the Wendy's restaurant system, and Arby's Restaurant Group, the franchisor of the Arby's restaurant system.

Source: Food Business Review



Carlsbad-Based Rubio's Sold for \$91 Million

The longtime home of the fish taco will soon have a new owner. Rubio's Restaurants, which got its start nearly 30 years ago, has accepted an offer from a Connecticut-based investment firm to purchase the Carlsbad chain for \$91 million. The acquisition, which is expected to be completed by the third quarter of this year, will transform the publicly traded company into a privately owned business. Rubio's stock closed Monday at \$8.50 a share, just 20 cents under the \$8.70 share price offered by the buyer, Mill Road Capital. The recent announcement of the sale agreement follows a six-month process initiated by Rubio's to explore options for the company, including the possibility of a sale. A Los Angeles area investment group, led by real estate and food services industry investor Alex Meruelo, had aggressively pursued a purchase of Rubio's during the last year, offering as much as \$85 million as recently as January. Rubio's executives said they went with Mill Road Capital after deciding it was the best deal they could secure for their shareholders. The board had formed a special committee and hired an investment banking firm to explore options for the company before deciding to sell to Mill Road. "We talked to everyone who expressed an interest, plus those who had not, and evaluated what could give the shareholders the best value in current dollars," company President Dan Pittard said. "We viewed this as the most attractive strategic option for the company." He added that while the fast casual chain of more than 195 Mexican seafood restaurants will be under new ownership, the current management team will remain in place, along with founder Ralph Rubio, who will "continue to be a shareholder and active in the company." Although the sale still must be approved by the chain's stockholders, Rubio, Pittard and Rosewood Capital, who collectively own roughly 24 percent of Rubio's shares, have committed to voting in favor of the transaction.

Source: The San Diego UNION-TRIBUNE

Growth in Europe, Australia Helps Boost McDonald's Sales

McDonald's Corp. said April sales rose 4.9 percent, beating some analysts' estimates, helped by growth in Europe and Australia. Sales at U.S. restaurants open at least 13 months advanced 3.8 percent, Oak Brook, Illinois-based McDonald's said today in a statement. They climbed 5.3 percent in Europe and 3.9 percent in Asia, the Middle East and Africa. Value menus and foods catering to local tastes helped boost sales in Asia, the Middle East and Africa, the company said. Sales in the U.K., France and elsewhere in Europe have increased as the chain renovated restaurants, said Jack Russo, an analyst at Edward Jones & Co. in St. Louis. "They touched up the stores and it's doing a good thing," Russo said in a telephone interview. Global sales were projected to rise 4.7 percent, the median of analysts at Piper Jaffray & Co., Jefferies & Co. and Robert W. Baird & Co. U.S. sales were predicted to rise 3.8 percent. They estimated gains of 3.5 percent in Europe and of 5 percent in Asia, the Middle East and Africa.

Source: Bloomberg/Reuters

Stevi B's Plots Growth in Southeast

Stevi B's Pizza will open six more restaurants in the Southeast, including three in Georgia. The new Georgia locations will be in Kathleen, Smyrna and Stockbridge. Once open, Stevi B's will have 28 locations in the Peach State. The Atlanta-based pizza chain also is adding locations in Florida and Alabama. "With the state of economy on an upturn, we are seeing more and more franchisees able to get the financing they need to start their own business, and Stevi B's is the perfect brand for entrepreneurs who are looking for a successful business model that they can take to their local market," said Melissa McFarlin, director of franchise sales and development, in a news release. Stevi B's Pizza currently has 31 franchised and four company-owned locations in seven states throughout the United States.

Source: Atlanta Business Chronicle

Chipotle Opens First Location in Europe

Chipotle Mexican Grill today opened its first European restaurant in London located at 114-116 Charing Cross Road. The company, which operates nearly 1,000 restaurants in the United States, is also looking for additional sites in London and exploring other European markets including Paris and select cities in Germany. "We think the prospects are very good for Chipotle in London and around Europe," says Steve Ells, founder, chairman, and co-chief executive officer of Chipotle. "The food culture in Europe is based on local, sustainable, and artisanal foods, which are all core values of Chipotle, and we have been instrumental in bringing this kind of thinking to fast food in the U.S. We call it 'Food with Integrity' and it is one of the ways we are changing the way people think about and eat fast food." In the U.S. Chipotle is the only national restaurant chain that is committed to serving food made with ingredients from sustainable sources, including naturally raised meat (from animals that are humanely raised, never given antibiotics or added hormones, and fed a pure vegetarian diet), local and organic produce, and milk from cows that are not treated with synthetic hormones. Chipotle brings the same food philosophy to its first restaurant in London, where it is using premium quality ingredients from local sources, including chicken that is grown to a higher welfare specification, pork that comes from pigs reared on farms that offer large acre paddocks where the pigs can roam freely and display natural behaviours, and beef from Farm Assured British Farms where the cattle are reared in humane and compassionate conditions. Chipotle also uses premium quality vegetables and herbs from local farms when seasonally available. "Our near-term efforts in London will focus on establishing the Chipotle brand, developing a high-performing team to create a special dining experience and help us with future expansion, and building a supply chain of like-minded vendors who support our goal of serving great tasting food made with ingredients from more sustainable sources," Ells says. "This will give us the right foundation as we explore additional opportunities in London and other European markets."

Source: QSR



Einstein Noah Appoints Former McCormick & Schmick's Exec as New CFO

Einstein Noah Restaurant Group Inc. announced that food-industry veteran Emanuel “Manny” Hilario is its new chief financial officer, effective immediately. Hilario succeeds Rick Dutkiewicz, who left the Lakewood-based restaurant company on April 9 to pursue other interests. Hilario most recently was founder and managing director of Koios Path LLC, a management advisory and consulting services company. From 2004 to 2009, he was CFO of Portland, Ore.-based McCormick & Schmick’s Seafood Restaurants Inc., which operates eateries in Lower Downtown and the Denver Tech Center. He steered McCormick & Schmick’s initial public offering in 2004 and two follow-on public offerings in 2005 and 2006. “Manny is a respected leader within the restaurant industry and a seasoned financial professional with proven expertise in all areas of financial risk management, corporate governance, and public company management,” Jeff O’Neill, CEO and president of Einstein Noah, said in a statement. Einstein Noah is parent of the Einstein Bros. Bagels, Noah’s New York Bagels and Manhattan Bagel chains. It currently operates 690 restaurants in 38 states and the District of Columbia. Separately, Einstein Noah announced a plan to phase in the use of eggs produced by “cage free” hens, starting this summer.

Source: Denver Business Journal

GE Capital, Franchise Finance Co-Leads \$36MM Funding for Roark Capital Acquisition of Wingstop Restaurants

GE Capital, Franchise Finance recently co-led the funding of a \$36 million debt facility for the acquisition of Wingstop Restaurants, Inc. by an affiliate of Roark Capital Group, an Atlanta-based private equity firm specializing in franchising. Funding was provided through GE Capital, Franchise Finance’s bank affiliate, GE Capital Financial, Inc. “Being the incumbent lender to Wingstop and also having completed multiple deals with Roark, we have a strong relationship with both parties that made this an easy process,” says Robert Daniel, senior vice president at GE Capital, Franchise Finance. Including Wingstop, Roark has now acquired 17 franchise/multi-unit brands, and has completed five acquisitions in the last six months. “Wingstop is a leader in its category and well positioned for continued growth,” says Erik Morris, Managing Director, Roark Capital Group. “Wingstop fits perfectly into our portfolio and GE Capital was great to work with throughout the transaction.” Founded in 1994 and headquartered in Richardson, Texas, Wingstop has more than 440 restaurants. “We are excited about the acquisition and anticipate strong growth with the help of Roark’s strategic insight,” says Jim Flynn, CEO, Wingstop Restaurants, Inc. “With our management team staying in place, our growth plan also includes new opportunities for our current franchisees.”

Source: GE Capital, Franchise Finance

John T. Wyatt Joins Jack in the Box Inc. Board of Directors

Jack in the Box Inc. announced the addition of John T. (“Tom”) Wyatt to the company’s board of directors, effective May 4, 2010. Wyatt is president of the Old Navy division of Gap Inc. Wyatt’s career spans more than 35 years, including nearly 30 years in the intimate apparel business. He joined Gap Inc. in 2006 as

president of the company's GapBody division, and eleven months later he was named president of the company's Outlet division. Wyatt has served as president of the Old Navy division since 2008. Prior to joining Gap Inc., Wyatt was president and CEO at Cutter & Buck Inc., which designs and markets upscale apparel under the Cutter & Buck brand. "We're extremely pleased to add someone of Tom's caliber to our board of directors," said Linda A. Lang, chairman, CEO and president of Jack in the Box Inc. "Tom has extensive experience in leading and growing some of the most well-respected brands in the retail industry, which will be invaluable as we continue to expand our Jack in the Box® and Qdoba Mexican Grill® brands."

Source: Jack in the Box Inc.

Local Firm Snaps up 91 Area Pizza Huts

A local firm quietly bought all 91 Orlando-area Pizza Hut restaurants for \$35 million from Pizza Hut parent company Yum! Brands Inc. on Dec. 7 — and now plans to serve up a big slice of business to Central Florida vendors. Orlando-based CFL Pizza LLC was formed in early 2009 to make the transaction, and now is responsible for the restaurants' 1,750 employees. CFL Pizza CEO Andy Rosen, whose investors include the Syosset, N.Y., private equity firm Northwood Ventures, said one of the first pieces of business up for grabs is the firm's \$2 million to \$2.5 million ad budget. CFL Pizza also is looking for vendors for everything from a real estate development consultant to an IT firm. "We're going to put a local spin in terms of using local vendors," said Rosen. In addition, Rosen is seeking new office space, as he plans to move the Pizza Hut operations out of the 8,000-square-foot Yum! Brands office on Lee Vista Boulevard near Orlando International Airport. CFL Pizza's real estate agent Chris Sproles, first vice president of office properties for CB Richard Ellis in Orlando, said Rosen wants to move into a new 2,500- to 3,000-square-foot office within a month, which limits the possibilities. "You don't have time for buildout, so you have to take space already in a layout conducive to your operations." The Pizza Hut deal took nearly a year to coordinate, due in part to the complexity of the real estate involved with 23 of the restaurants fee properties and 68 leases. Rosen, a veteran of the quick-service food industry, worked for Pizza Hut in several roles for 20 years, starting as a finance manager in 1989 when the brand was based in Wichita, Kan. Early last year, Rosen was approached and jumped at the chance to buy the Orlando stores. Pizza Hut has been re-franchising many stores nationwide, he said. "Part of my motivation to pursue this was the opportunity to come back home and quit traveling." The deal was financed with a \$20.15 million mortgage from Regions Bank's Tampa office. The west Central Florida operation also may handle retail banking for the company, Rosen said. And now that the deal is done, Rosen said the plan is to "run with what we've got and then look to grow."

Source: Orlando Business Journal

Jamba Juice Appoints Vice President of Consumer Products, Licensing and Growth Initiatives. CPG Marketing Veteran Julie Washington to Join Jamba Team

Jamba, Inc. announced the appointment of Julie Washington as Vice President of Consumer Products, Licensing and Growth Initiatives. This appointment follows the promotion of Susan Shields to Senior Vice President and Chief Marketing Officer. Ms. Washington brings over 15 years of brand management, licensing and sponsorship experience to Jamba. She was most recently Vice President of Marketing at Luxottica Retail where she was responsible for LensCrafters' brand strategy, advertising and marketing plan execution. During her career, Ms. Washington has held key marketing and business development positions with several top consumer product companies. At Procter & Gamble, Ms. Washington headed shopper based marketing for North America. For the Gillette Company, she served as Vice President of Market Development and was responsible for numerous marketing and licensing initiatives, including the naming rights for the New England Patriots' Gillette Stadium and the NASCAR Gillette's Young Guns' Team. She began her career at Nestle-Purina. "On behalf of the entire team, I welcome Julie to Jamba. Growth of CPG and licensing are among Jamba's key priorities as we evolve from a made-to-order smoothie company to an active, healthy lifestyle brand. The breadth of Julie's experience will make a

significant contribution in our efforts to create new licensing partnerships while strengthening and growing our existing relationships,” said James D. White, President and Chief Executive Officer, Jamba Juice Company. Since announcing a licensing growth platform as one of the Company's strategic priorities, Jamba has made significant progress in developing licensing alliances to launch new products. The Jamba-branded toy blender, developed with Think Wow Toys, hit retail shelves late last year. Jamba-branded frozen novelty products, developed with Oregon Ice Cream, also launched earlier this year and a Jamba-branded apparel line was recently launched under a license agreement with Headline Entertainment. Branded frozen smoothie kits, developed with The Inventure Group, will be introduced in retail stores this month. The Company continues to explore a number of other opportunities to extend the Jamba brand into a broad range of targeted new product categories.

Source: Jamba, Inc.

McDonald's Aims to Expands Franchise Trial in China

McDonald's Corp. is looking for new franchise partners in China, expanding a six-year-old trial program in its fastest growing market, a spokeswoman said recently. McDonald's relies heavily on franchises in more mature markets such as United States, but has almost exclusively opened self-operated stores in China since entering the market two decades ago. The company launched a pilot franchise program in China, but has so far limited it to three franchisees running six restaurants. It moved to expand up the process in April, posting information on its China website inviting new franchise applicants as it accelerates a plan to double its China network to more than 2,000 outlets by 2013. McDonald's had asked interested parties to prepare at least 2 million yuan (\$293,000) to cover equipment purchases, joining fee and other expenses, a spokeswoman said. She added that the company would initially experiment with new franchisees in Jiangsu province near Shanghai. "The whole franchising process is still on a trial run," she said in a telephone interview, declining to say how long the trial expansion would be confined to the Jiangsu. About 80 percent of McDonald's global outlets are operated by franchisees, requiring less capital than self-operated stores. McDonald's competes in China with Yum Brands' KFC, and Ajisen (China), a Hong King-listed noodle restaurant operator. Planning to boost capital investment in the mainland by about a quarter this year, McDonald's said it expected China to be the engine of growth in Asia-Pacific over the next five years, targeting 1,300 outlets by the end of 2010.

Source: Reuters News Service

A&W to Open 12 Milwaukee Locations

A&W Restaurants Inc. is targeting growth in Milwaukee, Wis., where it plans to open 12 drive-in restaurants by the end of 2010. Doug Heinrich, A&W's director of development strategy, announced details of the expansion plans for Milwaukee at the International Council of Shopping Centers (ICSC) Wisconsin Idea Exchange & Alliance Program, at the Midwest Airlines Center. "We have been steadily growing in Wisconsin, starting around Green Bay, and will continue our expansion south," Heinrich said in a news release. "We have loyal following of A&W consumers and fans. We want to meet that growing demand for our brand." The iconic A&W Restaurants brand, a pioneer of the drive-in concept, is now rolling out new restaurants that will allow customers to receive drive-in service from their vehicles, drive-through service or to dine in the restaurant. "Our growth here is being fueled by franchisees who previously served as owner operators with Sonic Drive Ins and by second-generation A&W Restaurant franchisees," Heinrich said.

Source: Business First of Louisville

Domino's Pizza Will Soon Be Delivered in Germany

The company announced recently that services will begin in Berlin and eventually go nationwide. The move into the country is part of a franchise agreement with the founder of Grand City Property Group and Grand City Hotels. Grand City Property manages more than 3,000 residential units, 80 hotels and 1 million square feet of commercial space in Germany. The company, founded by Yakir Gabay, is the second largest-hotel operator in Germany. The German market has great potential, said Michael Lawton, executive vice president of Domino's Pizza International. It is considered a growing market for delivery. Gabay's partner, Birgir Thor Bieltvedt, will be CEO of the new franchise. He was former CEO of Domino's Pizza in Iceland and Denmark.

Source: Bloomberg Businessweek/The Associated Press

Glass, Lewis & Co. Supports ALL Denny's Board Nominees in Contested Election

Denny's Corporation announced that Glass, Lewis & Co., a leading independent proxy advisory firm, has endorsed all eight of the Company's nominees, encouraging stockholders to support those nominees over the three candidates nominated by the dissident stockholder group. In its report, Glass, Lewis stated, "based on various improvements in the Company's performance in recent periods, we find the election of Dissident nominees to the Board to be unwarranted at this time." The report specifically cites the improved results stemming from the Company's cost-cutting efforts and notes that "the Dissident's plan for improvement contains many overlapping elements with the Company's own strategic plan" and that "we are not convinced that the changes espoused by the Dissident are necessary at this time." Debra Smithart-Oglesby, Denny's Board Chair, stated, "We are very pleased to receive the support of Glass, Lewis & Co., whom so many investors look to for guidance on important proxy voting matters. We respect their candid report and appreciate their confidence in stating that the current Board is best positioned to continue the progress that has been made in recent quarters. The Company has a plan in place and the Board is committed to the steps necessary to increase stockholder value."

Source: Denny's

Yum Brands Names New CEO for China Division

Yum! Brands Inc. has named Sam Su chairman and CEO for Yum Brands China Division. Su, 58, previously was president of the division, which operates 3,544 KFC and Pizza Hut restaurants in more than 650 cities in mainland China. It also has created a concept restaurant, East Dawning, which serves Chinese food, and has purchased an interest in Little Sheep, a hot pot restaurant. Su will retain his position as vice chairman on the Yum Brands board of directors, according to a news release from the company. He will be replaced as president of Yum Brands China by Mark Chu, who most recently served as chief development officer of the division. Yum Brands China has grown its operating profit in China to \$600 million in 2009 from \$20 million in 1998, according to the news release. It added 509 restaurants in 2009, and continues to set its sights on operating at least 20,000 restaurants in China to reach the country's middle-class demographic, which is estimated to be about 300 million people. In addition to KFC and Pizza Hut, Louisville-based Yum Brands is the parent company of Taco Bell, Long John Silver's and A&W Restaurants.

Source: Business First of Louisville

Dave & Buster's Reportedly Sold in \$570 Million Deal

Dave & Buster's Inc. is changing hands, with Wellspring Capital Management agreeing to sell the chain of restaurants that double as videogame arcades to Oak Hill Capital Partners in a \$570 million deal. Wellspring took Dave & Buster's private in 2006 for about \$257 million in cash plus debt. It replaced the company's founders with new management, expanded the chain and last year filed to take it public again. But the public markets have been unreceptive to restaurant stocks, leading to the sale to Oak Hill instead of an IPO. The transaction is the latest in a barrage of deals in which private-equity firms are selling their companies to one another. These so-called secondary leveraged buyouts hold great appeal for the private-equity ecosystem. Sellers can book profits and return cash to investors, while buyers can put money to work. Meanwhile, investment bankers earn millions of dollars of fees advising and lending on these transactions. The deals are also less complex than selling to a public firm or via a public offering. But some investors in private-equity funds have a skeptical views of these deals, arguing that they're done for efficiency's sake and don't realize an asset's maximum value. Among the at least half-dozen deals announced over the past two weeks: TPG agreed to buy American Tire Distributors Holdings Inc. for about \$1.3 billion from three buyout shops led by Investcorp; and Oak Hill purchased nuts-and-bolts manufacturer Hillman Group from Code Hennessy & Simmons for \$815 million. Such deals are being made possible by the improving economy and the recovery in the corporate-lending markets, which permits buyers to line up financing to fund these purchases.

Source: The Wall Street Journal

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

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