



June 1, 2011

Papa John's Appoints Texas Roadhouse Founder and Chairman Kent Taylor to Board of Directors

Papa John's International, Inc. announced the appointment of W. Kent Taylor to the company's Board of Directors. Taylor, age 55, is the founder of Texas Roadhouse, Inc. a full-service, casual dining restaurant chain. He served as Chief Executive Officer of Texas Roadhouse from 2000 until 2004, and has served as its executive Chairman since 2004. Before founding the Texas Roadhouse concept in 1993, Taylor founded and co-owned Buckhead Bar and Grill in Louisville, Kentucky. He has more than 25 years of experience in the restaurant industry. "We are delighted to have Kent join the Papa John's Board," said Papa John's Founder, Chairman and Chief Executive Officer, John Schnatter. "His experience in founding and building Texas Roadhouse, focused on high quality food and service, will bring valuable insight to our Board and management team as we continue to grow the Papa John's brand throughout the world."

Source: Papa John's International, Inc.

Sonic Completes Refinancing Transaction

Sonic Corp. announced that certain of its subsidiaries have issued \$500 million of Series 2011-1 Fixed Rate Senior Secured Notes, Class A-2 (the "Fixed Rate Notes") in a private securitization transaction. The Fixed Rate Notes will have an expected life of seven years and bear interest at 5.438% per annum, payable monthly. The same Sonic subsidiaries also entered into a securitized revolving credit facility of \$100 million of Series 2011-1 Variable Funding Senior Secured Notes, Class A-1 (the "Variable Funding Notes"). The revolving credit facility allows for the issuance of up to \$100 million of Variable Funding Notes. Interest on the Variable Funding Notes will be payable per annum at rates equal to the Commercial Paper rate plus 3.75%. The company borrowed \$35 million under the Variable Funding Notes facility at closing. There is a 0.5% annual commitment fee on the unused portion of the Variable Funding Notes facility. "We are very pleased that we were able to leverage the strength of our brand and business to obtain attractive pricing under this securitized financing facility," said Clifford Hudson, Chairman and Chief Executive Officer. "This capital structure provides us optimum financial flexibility at a competitive cost. With this facility in place, we are well positioned to continue to grow our brand and execute our business strategies."

Source: Sonic Corp.

Borders to End Cafe Pact with Seattle's Best

Bankrupt bookstore chain Borders Group Inc. plans to end a pact with Seattle's Best Coffee and to begin operating its own in-store cafes as it restructures and tries to become profitable. The move would allow Borders to reduce licensing fees as it works toward emerging from bankruptcy, a spokeswoman said recently. Seattle's Best cafes, part of Starbucks Corp, had been a staple of nearly all of Borders' more than 400 superstores since the parties signed a licensing agreement in 2004. Borders, which helped pioneer the concept of book superstores, filed for bankruptcy protection in February after years of falling sales made it impossible to manage its debt load. Last week, a person

close to the matter said the bookseller had received indications of third-party interest for its business that could keep it running as a going concern. From the beginning of its 2007 fiscal year until its bankruptcy filing, Borders had net losses totaling about \$680 million. The company will seek court approval for the termination of its leases with Seattle's Best, according to a filing in U.S. Bankruptcy Court in Manhattan. It is seeking permission to file the motion under seal to keep the lease terms private. "Borders told us they wanted to expand the cafe offering beyond just coffee and snacks that really only make sense in the morning," Robert L. LeHane, of Kelley Drye & Warren LLP, told Reuters. "Most customers visit Borders in the afternoon and evening, so we agree" with the move, LeHane said. Seattle's Best has been expanding elsewhere. Its coffee is sold at Burger King Corp and Subway restaurants and is available on Delta Air Lines Inc flights.

Source: International Business Times

Karl Doyon Named President of Middleby Canada

The Middleby Corporation announced that it has named Karl Doyon President of Middleby Canada. In this role, Mr. Doyon will be responsible for all of the Middleby brands in the Canadian territories. "With his 17 years of experience, Karl is a proven sales leader in Canada and has extensive knowledge of the market. He will strengthen and expand the Middleby presence throughout the country" While growing the presence of the Middleby brands in the Canadian market, Mr. Doyon's new responsibilities also entail directing all sales in Canada, as well as overseeing customer support, service, and product distribution. He will continue to serve as division president for the Middleby baking division which includes Nu-Vu and Doyon brands, a position he has held since 2010. "Karl is highly respected in the industry and has built solid, longstanding customer relationships in Canada," said Selim A. Bassoul, Chairman and CEO of The Middleby Corporation. "With his 17 years of experience, Karl is a proven sales leader in Canada and has extensive knowledge of the market. He will strengthen and expand the Middleby presence throughout the country," Mr. Doyon joined Middleby in December 2009 in connection with Middleby's acquisition of Doyon Equipment. Prior to that, he was Vice President of sales for Doyon Equipment and started his career as a regional sales manager with Doyon Equipment in Quebec, Canada.

Source: The Middleby Corporation

Golden Gate Buying California Pizza Kitchen for \$470 Million

Private equity firm Golden Gate Capital is buying California Pizza Kitchen Inc. for about \$470 million, three months after the restaurant chain put itself up for sale. The \$18.50-per-share cash bid is an 11 percent premium to the restaurant chain's \$16.71 closing stock Tuesday. Shares of California Pizza Kitchen gained \$2.09, or 12.5 percent, to \$18.80 in premarket trading. California Pizza Kitchen, which got its start in 1985, serves pizzas, pastas, soups, sandwiches and other food items. It has 265 restaurants, with 205 company-run and 60 under franchise or license agreements. California Pizza Kitchen began exploring a potential sale of the company in February. The Los Angeles company's board unanimously approved the deal and recommends stockholders tender their shares in the tender offer. "Golden Gate Capital is a leading investor in the restaurant industry, with a proven track record as a value-added partner to its portfolio companies, and we believe that its significant commitment and experience in the sector will benefit all of our stakeholders," co-CEOs and co-Chairmen Rick Rosenfield and Larry Flax said in a statement. Golden Gate's other restaurant buyouts include the purchase of On the Border last year. And last month Lawson Software Inc. agreed to a \$2 billion acquisition offer from Golden Gate and Infor. An affiliate of Golden Gate will start a tender offer for all of California Pizza Kitchen's outstanding shares by June 8. The acquisition is expected to close in the third quarter.

Source: latimes.com/The Associated Press

Tim Hortons CEO Leaves Abruptly

The sudden departure of Tim Hortons Inc. president and chief executive Donald Schroeder may signal a pull-back in the company's ambitious U.S. expansion strategy, a retail analyst said last week. "Everything could be on the table,"

said Kenric Tyghe of Raymond James. He said the coffee and doughnut chain's core business in Canada has suffered as the franchise company focused on a U.S. expansion that Tyghe called "too big and too audacious." He said the Oakville-based chain has faced challenges in establishing its brand in U.S. cities as it competes with established restaurants such as Dunkin' Donuts and Starbucks in a difficult economic climate. But Brain Yarbrough, retail analyst at Edward Jones in St. Louis, noted the U.S. push was approved by Tim Hortons under executive chairman Paul House, who has previously held the CEO post. House takes on the role of interim CEO until a replacement for the 65-year-old Schroeder can be found. Kneric said the company's plan to invest heavily in promoting its brand in cities including Rochester, Syracuse, Columbus and Detroit even after being forced to close some money-losing outlets was developed under Schroeder's watch. Tim Hortons has nearly 600 restaurants in the U.S. and has said it will open about 300 new outlets by 2013, primarily in its existing markets of Michigan, New York, and Ohio. Late last year, the restaurant chain closed 36 restaurants and 18 kiosks, primarily in New England. In the first quarter of this fiscal year, the company's U.S. division posted an operating income of more than \$2 million against a loss in the corresponding period last year. But the company's Canadian unit missed profit expectations, sending the stock into a tailspin. The company blamed bad weather and promotion costs for its Roll Up the Rim to Win contest for the disappointing performance in Canada. Tim Hortons in a statement said Schroeder would no longer serve as president and CEO after three years in the role. There were no details of his future plans or discussion of reasons for the departure. "Don Schroeder has made significant contributions to Tim Hortons during his 20 years of service, and although a transitional arrangement could not be reached, we appreciate his leadership as president and CEO since his appointment in 2008," House said in the statement. A company spokesman declined further comment. "We have a talented, experienced and highly capable executive group, and we will continue to drive execution of our established strategic growth plans and initiatives, which are designed to capitalize on market opportunities, as the board concludes the process to appoint a new CEO," House said in the release.

Source: The Toronto Star



Subway Attempts 'Upscale' Format With Subway Café

Subway is developing a more upscale concept that would function as a cross between a sandwich shop and a coffee bar. The concept is currently being tested in 15 locations and Subway is hoping to add 10 more locations by the end of the year. Subway Café offers baked goods and a range of coffee products from Seattle's Best, which is also served in current Subway franchises.

Presently, Subway has about 34,600 stores in 98 countries and is continuing to grow. Since January, the chain has opened 700 outlets in 50 countries and 43 U.S. states. In total, Subway plans to open 2,000 outposts in the U.S. this year. The sandwich chain hopes to have 100 stores in Brooklyn alone by the end of the year.

Source: TheHuffingtonPost.com

Nature's Table Café to open in Florida, California and Carolina markets

Nature's Table Café has signed two new franchise agreements to open restaurants in Orange County, California and in South Carolina. The chain also will be opening a new corporately owned location in Maitland, Fla., adding to the chain's roster of more than 75 restaurants open in 10 states. The new corporately owned restaurant will be housed at Orlando's newest Class A Office Building, the FIS Office Building. This will be Nature's Table Café's fourth corporately owned location. "As we grow the Nature's Table concept around the country, our key strength is the

flexibility of our restaurant prototype and opportunity for conversions,” said company founder and CEO Dick Larsen. “These new corporate locations will showcase our ability to convert existing spaces and thrive in non-traditional locations. Our office building prototype especially has attracted multi-unit developers who are looking to saturate a market with both traditional, fast casual locations and non-traditional sites.” In addition to the new corporate restaurant, Nature’s Table also has signed agreements for two new franchised locations. New franchisee Paul Lau, an experienced restaurant entrepreneur, has bought the rights to open a Nature’s Table Café in Orange County, Calif. Lau is currently evaluating real estate opportunities and his restaurant will be the second California location for the chain. Additionally, plans for a Nature’s Table Café in either North or South Carolina are underway for new franchisee Christina Long. Long, a real estate professional, will be evaluating opportunities in both states.

Source: FastCasual.com

California Pizza Kitchen to Be Acquired by Golden Gate Capital; Stockholders to Receive \$18.50 in Cash Per Share

California Pizza Kitchen, Inc. and Golden Gate Capital announced that they have entered into a definitive agreement under which an affiliate of Golden Gate Capital will acquire the Company for \$18.50 per share in cash, or approximately \$470 million. The purchase price represents a 32% premium to the 30-day average price prior to the Company’s Board of Directors authorizing management to begin exploring strategic and financial alternatives on February 23, 2010, and a 15% premium to the 30-day average price prior to the announcement of the transaction. The transaction is currently expected to close in the third quarter of this year. The announcement follows a comprehensive review undertaken by the Board to maximize stockholder value. The Company formed a special committee, comprised of independent directors, and retained financial advisors to evaluate strategic and financial alternatives. After a thorough assessment, the special committee unanimously recommended and the Board of Directors unanimously approved the agreement. The Board of Directors unanimously recommends that the Company’s stockholders tender their shares in the tender offer. Rick Rosenfield and Larry Flax, co-Chief Executive Officers, co-Chairmen of the Board and co-founders of California Pizza Kitchen, stated, “This announcement represents a very positive outcome for our stockholders and we believe it is also a great development for our employees, guests and business partners. We are very excited as we open a new chapter in the very successful history of CPK. Golden Gate Capital is a leading investor in the restaurant industry, with a proven track record as a value-added partner to its portfolio companies, and we believe that its significant commitment and experience in the sector will benefit all of our stakeholders.” “We have great respect for the California Pizza Kitchen brand,” said Josh Olshansky, a Managing Director with Golden Gate Capital. “The business that the CPK team has built, with its great product offerings, makes it an ideal fit with our long-term oriented approach to investing. We are very pleased to partner with the Company to continue to invest in the business for the benefit of all its guests, employees and partners.”

Source: BusinessWire/California Pizza Kitchen

Smashburger Expanding in Seven States

Smashburger has signed five agreements with franchise partners to open 63 new locations in seven states, the Denver-based hamburger restaurant chain announced. The new agreements bring the number of planned locations for the restaurant to 463, inching the fledgling chain closer to its goal of having 500 operating restaurants in the next few years. “We are very pleased to welcome our new franchisees to the Smashburger family and look forward to leveraging their experience gained from successfully operating other growing restaurant concepts,” Smashburger Chairman and CEO Dave Prokupek said in a news release. “Consumers’ response to the Smashburger concept has driven our positive same-store sales growth for the first quarter and has put us ahead of schedule with our franchise commitments.” The 4-year-old chain now operates 100 restaurants in 31 cities across the country. It plans to open 75 more nationwide by the end of the year. The new franchise agreements will put Smashburgers in four new markets and allow it to expand its presence in three other markets. Those agreements are: • A deal with three longtime Dunkin’ Donuts franchisees to open 24 locations in Fairfield County, Conn. and Queens and Westchester counties, N.Y., over the next six years; • An agreement with American Food Services Group LLC to expand Smashburger operations in Florida by opening seven restaurants in Jacksonville over the next four years; • A deal with a Buffalo

Wild Wings franchisee, Compleat Hospitality Management LLC, to open 10 Smashburgers in New Orleans and in Birmingham, Ala.; • A contract with a Buffalo Wild Wings franchisee to open 12 restaurants in Cincinnati, Ohio, expanding Smashburger's current presence in that state; and, • An agreement with two partners, one of whom is a former regional area director for Mimi's Café, to open 10 locations in Charlotte, N.C. Smashburger is owned by Consumer Capital Partners, a privately held Denver investment and concept restaurant development firm that also operates Quiznos Subs.

Source: Denver Business Journal

Landry's Golden Nugget OK to Buy Trump Marina

Landry's Inc., owner of Nevada's Golden Nugget casinos, won regulatory approval to buy the Trump Marina Hotel Casino, becoming Atlantic City's newest investor. The New Jersey Casino Control Commission approved an interim license, clearing the way for Houston-based Landry's to buy the money-losing casino for \$38 million from Trump Entertainment Resorts Inc. Landry's, which owns restaurants including the Bubba Gump Shrimp Co., will change the name to Golden Nugget and spend about \$100 million on the acquisition and initial renovation, executives said. The company is already adding its restaurants and plans a new hotel tower, Chief Executive Officer Tilman Fertitta told the commission today in Atlantic City. The exterior should be refinished by October so it doesn't "have that hospital look any more," Fertitta said. Trump Entertainment, whose three New Jersey casinos have been through bankruptcy three times, had attempted to sell the Marina for years. The sale comes as Atlantic City struggles to reverse record gambling declines. Landry's, taken private by Fertitta-led management last year, wants to attract more conventions to the shore. "We're all going to do business on the weekends," Fertitta said. "What we've got to do in Atlantic City is to get people here Monday through Thursday." The proposed renovation includes a new spa, pool and updated rooms, Fertitta said. Landry's initial investment involves \$56 million in equity and about \$66 million in loans, company executives said.

Source: Bloomberg

Subway to Open 2,000 North American Stores in 2011

Milford, Conn.-based Subway Restaurants recently revealed its aggressive growth strategy for 2011, with more than 2,000 franchisees actively searching for locations. In order to reach the company's development goals, a contingent of representatives from the Subway chain will be manning the brand's booth at the ICSC RECon convention from May 23-25 in Las Vegas. "We will be aggressively looking for sites and ready to make deals," says Chris Kan, training and business promotion specialist for Subway Real Estate LLC. In addition, the chain is testing a new Subway café format designed to satisfy the needs of landlords of office buildings and upscale properties. The concept is a combination sandwich shop and coffee bar, featuring feature brick or wood paneled walls, comfortable armchairs, and an expanded menu that includes baked goods and frozen coffee drinks.

Source: DDi

Real Mex Restaurants Commences Search for Key Subsidiary President

Real Mex Restaurants, Inc. announced the resignation of the President of Real Mex Foods and has commenced a national search for his replacement. Mr. Carlos Angulo submitted his resignation to pursue other interests. Rick Dutkiewicz, Interim President and CEO, said, "We wish Carlos Angulo well and appreciate his contributions to Real Mex Foods." Real Mex has already commenced the process of opening up a nationwide search to identify a new leader for Real Mex Foods that has significant depth of experiences to lead this diverse manufacturing and distribution organization into the future. "Real Mex Foods has significant and unique capabilities that can be leveraged in innovative ways not easily replicated by our manufacturing competitors," said Dutkiewicz. "The effort we are putting forward today to seek out an appropriate leader demonstrates our commitment to our customers and our Real Mex team. We are excited and confident that this opportunity to provide fresh thinking and a renewed level of enthusiasm for this important segment of our business is reflective of our confidence on our vision for the future."

Source: Real Mex Restaurants Inc.



'Fast-Casual' Chain Grows to Over \$60M Served. Edo Japan Opened its 100th Restaurant this Month

Tom Donaldson, the Calgary-based company's president and chief executive, said in the past 12 years, the restaurant chain has grown in Western Canada to \$60-million in annual sales from about \$10-million. "The main business engine is in Western Canada. In fact, right here in Alberta we have 60 of our 100 locations," said Mr. Donaldson, who took over in 1999 with a small equity earn-in position and later purchased the balance of outstanding shares from the founders in 2006. "So we're really a Western Canada phenomenon." The most recent outlet opened in Edmonton. The company was founded with its first restaurant in Calgary in 1979. "We were one of the first branded concepts in the food court. Back in those days in the 1970s, it used to be a little sandwich shop, a mom and pop, and then maybe a little Chinese food shop and so on and so forth," said Mr. Donaldson. "We were one of the early ones along with Orange Julius who actually had a brand name and a chain involved in a food court." Donaldson said Edo Japan has 63 restaurants in shopping malls. Edmonton's recent opening will be the 37th street-front restaurant, a style it started in 2002. "Our street restaurants are located in suburban shopping centres. . . . In the early 2000s, we did some customer research and we started to ask customers where they eat. They told us if we were closer to where they lived, they would go to [Edo Japan] more often," he said. "And that's how we came up with the street restaurant concept because people were changing the way they shopped, going to these power centers and so on, and we weren't represented there. We were only in the malls. "Lo and behold, we found out that people would come to us for dinner. Traditionally, we were a place for lunch and we turned out to be a dinner place. Half of our business happens after 4 p.m. in our street restaurants." Donaldson said 90% of Edo Japan's future development will be at the street locations. "We have 60 locations in Alberta and we would like to approach the same penetration in the rest of the Western provinces," he said. "So we would expect that we would build approximately 30 restaurants over the next five years in Western Canada in Saskatchewan, Manitoba and British Columbia." Donaldson said the Edo concept fits between what people would describe as traditional fast food and casual dining. "In the industry we call that fast-casual," he said. "We have similarities to fast food in that we're quick and we're convenient, but we have similarities to casual dining in that we have higher quality food and it is served hot."

Source: Financial Post (Canada)

Former Casual Exec Buys Fast-Casual Brand

The former president of casual-dining chain Beef O'Brady's is hoping to replicate his success with that company at an upstart Greek fast-casual chain. Nick Vojnovic purchased the Tampa, Florida-based Little Greek concept and plans to turn it into a national franchised brand. "There were some good deals out there, but you're going to go head to head with some very good competitors," Vojnovic says, noting that he explored Mexican and burger concepts before purchasing Little Greek. "I don't think there are any major [Greek] players out there yet. You see a lot of people poking around, a couple stores here, a couple stores there, but one of the things I do like about it is it's a niche where there isn't a lot of heavy competition." The five-year-old Little Greek concept has four locations, three in Florida and one in Dallas. Vojnovic says he plans to grow the chain to at least 25 stores in the Tampa Bay area in the next five years with the help of both single-store and multiunit operators. "We're looking for folks who are hard working, who believe in the brand, and who want to really replicate the brand, and have good people skills for their community and employees and customers, as well," he says. He says there are also plans to grow the brand outside of Florida, in Dallas and potentially Atlanta. Vojnovic found and purchased the Little Greek concept with the help of franchise consultant Paul Samson, founder and CEO of The Franchise Edge. Samson, who has been an acquaintance of Vojnovic's for several years and who helps develop the infrastructure for fledgling franchise brands, says he

knew Vojnovic was a good fit for Little Greek's potential. "There are 1,000 pizza joints," he says. "Everybody and their grandmother is in that business. But there are not a whole lot of mid- to upper-scale players in the fast-casual Greek business, and there's plenty of room for someone to get there. "When you take a guy like Nick, with his experience, and you take a model like this, and you put the right wheels under it, I think these guys could be, in the next five to eight years, one of the top chains in the industry." Vojnovic, who helped grow Beef O'Brady's from 30 units to 270 before leaving the company in 2010, says Little Greek is a much smaller system than his former company, thus making it easier to grow and invest in—assuming it's done correctly. "One of the things I'd like to do moving forward is to be very selective on franchisees, extremely selective on real estate ... and try to take all of the mistakes I made at [Beef O'Brady's] and try to fix them here," he says.

Source: QSR

Jamba, Inc. Stockholders Elect Fritzi Woods to Board of Directors

Jamba, Inc. announced the election by the Company's stockholders of Fritzi Woods to its Board of Directors and the appointment by the Board of Directors of Ms. Woods as an independent member of its Audit Committee. "We are pleased to welcome Fritzi to our Board of Directors. With her extensive experience in finance, food service, and the public markets we believe Fritzi will be a great addition to our Board," said James D. White, chairman, president, and chief executive officer, Jamba, Inc. Ms. Woods is currently President and CEO of Women's Foodservice Forum (WFF), a leadership development association, leading the foodservice industry efforts to develop gender-diverse leadership talent for all segments of the foodservice industry. Prior to WFF, Ms. Woods was the Chairman and CEO at PrimeSource FoodService Equipment, Inc., where she led the nation's tenth largest foodservice equipment company that specialized in quick-service restaurant chains, annually managed 1,000 new restaurant openings, and supported over 19,000 established restaurants in the U.S. and 46 other countries. Fritzi is an active member of the Young President's Organization, Women Corporate Directors, and the International Women's Forum.

Source: Jamba, Inc.

European Hotel Rates Average Highest Since 2008

In May, the average cost of a standard double room in one of Europe's 50 most popular cities is 117 pounds - the highest European average since October 2008. Prices rose in 47 of the top 50 cities, and a weaker exchange rate makes travel to the rest of Europe even more expensive for British travellers. In the UK, prices remained steady with the exception of Edinburgh, whose hotel rates rose 15%. These are the findings of the trivago Hotel Price Index (tHPI) prepared each month by the hotel price comparison website www.trivago.co.uk. The European hotel industry has seen a sharp rise in overnight rates this month; with the average cost of a standard double room reaching an average of 117 pounds, travellers find themselves paying nine percent more than in April (107 pounds). In addition, this is also the highest European average since October 2008. In the United Kingdom, prices remained largely steady, with only three cities experiencing major upward or downward momentum. Weak exchange rate further increases hotel costs for British travellers. An increase in hotel prices in May has been observed in 47 of the 50 cities listed in Hotel Price Index. In Cannes, where the International Film Festival takes place, prices climbed 29 percent to 141 pounds. The neighboring city of Nice (118 pounds) similarly saw a price climb of 22 percent. In Turin (119 pounds), travellers are paying 28 percent more than in April, while frequent visitors to Barcelona can expect hotel rates to rise by 21 percent to 136 pounds. In the Scandinavian cities of Stockholm (165 pounds, up 24 percent), Copenhagen (136 pounds, plus 18 percent) and Oslo (152 pounds, plus 17 percent), visitors must also take rising hotel rates into account. Geneva (224 pounds, plus 14 percent) and Venice (209 pounds, plus 15 percent) are May's most expensive European city destinations. A particularly weak exchange rate has further impacted prices, however, meaning that British travellers are paying approximately 5% more than their European counterparts as a result of the GBP-EUR exchange rate.

Source: Ehotelier.com



El Pollo Loco Feels the Heat

Suffering more red ink in the latest quarter on top of losses in the last three years, the chain of grilled-chicken restaurants is moving to upgrade its image to draw higher-income customers away from new rivals. El Pollo Loco, with flame-grilled chicken at the top of its menu, urges its customers to "taste the fire." Now the chain itself is feeling the heat. Despite its efforts to spice up its menu offerings and boost business, the Orange County company is struggling with red ink and greater competition. The chain said last week that it had lost \$4.7 million in the first quarter of 2011 partly because of a drop in sales of 2.5%. That was on top of significant losses in each of the last three years: \$40 million in 2010, \$52 million in 2009 and \$40 million in 2008. The 400-store chain, whose majority owner is New York private equity firm Trimaran Capital Partners, has hired a new advertising agency to bolster its image and an architectural firm to improve the look of its restaurants. "This is about facing the brutal facts," said Mark Hardison, vice president of marketing for the chain. The company is banking on its ability to attract new customers like the ones that fill many locations with lines out the door at lunchtime, seeking chicken just off the grill. "They're kind of on the bubble," said Bonnie Riggs, restaurant analyst for NPD Group. "They're just wondering if there's a way if they reinvent themselves that they will survive."

El Pollo Loco is not the only low-cost chain that is trying to come back after suffering during the recession and slow recovery. Several older brands, including Jack in the Box, Sizzler and Applebee's are hoping that remodeled stores and upgraded menus will bring in more customers.

But it may not be easy. Over the last 10 years, chains like Chipotle, Panera Bread and Rubio's have stormed onto the scene, offering inexpensive meals that are a cut above fast food, in restaurants that are more appealing to consumers. Sales at these so-called fast casual restaurants took off, while business suffered at Carl's Jr., Jack in the Box, Burger King and others.

Still, El Pollo Loco has a very good chance of turning its losses around, especially as it upgrades, he said. The good news for El Pollo Loco is that it has enormous name recognition — particularly in Southern California — and its fans are devoted. The food is perceived as tasty, healthful and moderately priced, Sather said. Although its stores are heavily concentrated in California, it operates restaurants in states including Arizona, Nevada, Texas, Illinois and Georgia, and Sather hopes to continue to expand. "They definitely have the ability to be a premium concept," West said. "I always thought it would be a successful national chain."

Source: latimes.com

Bennigan's Appoints New President, CEO

Restaurant and retail franchising veteran Paul M. Mangiamele has joined Bennigan's Franchising Co. as president and CEO. Mangiamele takes the reins from David Goronkin, who will be leaving at the end of this month to become president and CEO of a large multi-brand restaurant company. Mangiamele, 58, previously served as president and CEO of Salsarita's Fresh Cantina, a fast-casual Mexican chain. At Salsarita's—which marked his return to the restaurant industry after serving as a senior executive at two international franchising retailers—he led operations, sales, and unit economic improvements that positioned the chain for accelerated multi-state expansion. The high-energy leader plans to blend the best of Bennigan's storied past with the exciting new re-engineering and enhancements the brand's new owners have made over the past two years. "We're embracing the past yet unlocking the value, vibe, and energy that originally made Bennigan's among the best brands in the casual theme space," Mangiamele says. "It's all about providing legendary service, craveable food, and creating a fun, exciting atmosphere that guests rave about. We're firing up growth and are absolutely committed to returning this iconic

brand to its rightful place at the top of casual dining." With about 100 restaurants open and under development in the U.S. and 10 other countries, Bennigan's has updated most aspects of the concept, including menus, bar offerings, uniforms, logos, and other brand identity elements. In late 2010 a new company-owned prototype opened in Appleton, Wisconsin, officially ushering in the changes and shifting to a neighborhood bar focus. "Bennigan's is back on track, and Paul is the right leader to take the company forward," Goronkin says. "As tough a decision as it is to leave, I'm confident that Bennigan's future is bright and that the brand is in great hands." Mangiamele brings a strong background in retailing in addition to his deep experience in the restaurant industry, where he began his career and held leadership positions at several different companies. Prior to Salsarita's, he was COO and EVP for Sports Clips, the 600-unit sports-themed hair salon chain. During his tenure the chain added nearly 400 locations.

Source: Restaurant Management

Dunkin' Signs On for Six in Wisconsin

Dunkin' Donuts announced the signing of a multi-unit store development agreement with Travel Mart for six new restaurants in Wausau, Wisconsin. The first restaurant will open in 2012, and the remaining five units will be developed by 2016. Travel Mart, a retailer of fuel and food products in convenience stores, is headquartered in Wisconsin Dells, Wisconsin. The company has 10 Travel Mart locations throughout the area that are managed by Gary Gussel, president of Travel Mart. In 2009, the company agreed to develop eight Dunkin' Donuts restaurants in Madison. Its first location opened in the market in July 2010, and the second location will open this spring; the remaining six Madison restaurants will open by 2014. Travel Mart shares an ownership structure with Holiday Wholesale, a distributor of food and sundry products, and Vacationland Vendors, a vending and amusement service company. "We are excited to expand Dunkin' Donuts' presence in the Wausau market and play an important role in the daily lives of people who live, work, and visit here," Gussel says. "We have a strong passion and loyalty for the brand and look forward to the opening of our restaurants in the years to come." In addition to the development agreement mentioned above, Dunkin' Donuts is seeking new and existing franchisees to develop restaurants throughout Wisconsin, specifically in Northern Milwaukee, La Crosse, Green Bay, and Eau Claire. To drive its expansion efforts, Dunkin' Donuts has aligned its strategy to support the growth opportunities and consumer needs of individual markets. As a result, the company continues to expand with single and multi-unit opportunities with no minimum unit requirements. "Dunkin' Donuts is excited to expand its footprint in Wausau with Travel Mart, Inc.," says Grant Benson, CFE, vice president of franchising and market planning, Dunkin' Brands. "Our secret to success is our passionate franchisees who provide a high level of customer service to our guests every day, and we're confident Gary and his team will continue to cultivate lasting relationships in the Northern Wisconsin community."

Source: qsr magazine.com

Buffalo Wild Wings Marks First Canadian Location

Buffalo Wild Wings has announced that it has opened its first location in Oshawa, Ontario, also marking the company's first restaurant north of the border. "We are very excited to have this first international location open and are ready to serve our Canadian fans," said Sally Smith, Buffalo Wild Wings president and CEO. "We've known for some time that Canadians were looking for an offering like ours as it is truly unique to what's currently available. We're also thrilled to announce that our expansion plans are on track and we have recently signed four additional leases in Ontario including London, Newmarket, Mississauga and Guelph." As a special incentive for grand opening day, Buffalo Wild is offering its first 100 patrons a grand opening gift of free wings for one year. The restaurant features 50 large high-definition televisions and eight giant screens. The new location will also be an active member of the Oshawa community bringing more than 115 jobs to the area and sponsoring local Oshawa sports teams. Buffalo Wild Wings announced plans to expand into Canada in August 2010 with a goal of opening 50 company-owned and franchised restaurants across the country in the next five years, creating approximately 3,500 jobs across the country.

Source: SatCasual.com



Darden Rotates 4 Top Executives At Red Lobster, Olive Garden

Darden Restaurants Inc. rotated leaders for four top positions at its Red Lobster and Olive Garden restaurant chains. The company, which also operates the LongHorn Steakhouse franchise, said the moves "demonstrate the benefits of Darden's long-term commitment to developing talent and its ability to leverage its leaders' breadth to provide key roles with new energy and insight." At the end of May, Red Lobster President Kim Lopdrup will become senior vice president of business development, overseeing Darden's long-range growth plans. Olive Garden President Dave Pickens will take up the president's spot at Red Lobster, where he began his career 38 years ago. Marketing Officer John Caron will become the Olive Garden president. Finally, J.J. Buettgen, currently the senior vice president of business development, will become Darden's chief marketing officer. Chairman and Chief Executive Clarence Otis said that each of the executives has made "a tremendous contribution in their current roles" and that the company is delighted they've agreed to take on new responsibilities. Overall, Darden outperformed the industry in the weak economy by skirting discounts in favor of menu promotions, but its lead over a benchmark measurement of same-restaurant sales had been narrowing. In its latest quarterly results, earnings rose to beat its own optimistic guidance, but a promotional misfire at Olive Garden hurt that chain's same-store sales.

Source: DOW JONES NEWSWIRE

Hungry Howie's Names Head of Strategic Marketing

Michigan-based Hungry Howie's Pizza has named Rob Elliott as its vice president of strategic marketing. Elliott has years of experience in marketing for international restaurant chains such as Little Caesars, Quizno's and Papa Murphy's Pizza. Most recently, Elliott worked for an advertising agency that developed large national chains. "I've worked for many pizza companies throughout my career and I'm very excited to join the team at Hungry Howie's," Elliott said. "My goal at Hungry Howie's is to develop and execute aggressive advertising plans in all markets to maximize brand awareness and sales. My focus is strategic leadership and positioning, as well as providing marketing support."

Source: PizzaMarketPlace.com

Benihana Decides Against Selling Company

After spending nearly a year examining ways to increase shareholder value, Benihana's board of directors announced Friday that a sale is not the answer. Instead, the board is recommending the elimination of the company's two classes of common stock, a move that is not likely to sit well with the family of the late Benihana founder Rocky Aoki because it will mean a further dilution of their ownership stake. The family's trust, currently controlled by Aoki's widow Keiko Ono Aoki, is one of the largest shareholders of the Miami-based restaurant chain. The company will ask stockholders to approve a proposal to reclassify each share of Class A Common Stock into one share of Common Stock in order to eliminate the dual-class structure. A special meeting will be called to consider this vote, as "soon as possible," the company said. The board has also amended the company's shareholder rights plan to expire automatically when and if the stock reclassification goes into effect. "The actions we are announcing today are in the best interests of the Company and its stockholders and are integral to our long-term growth," Chief Executive Richard Stockinger said in a statement. The news was released late Friday afternoon following the stock

market closing. Benihana's stock closed at \$10.10 per share, down 2 cents and just slightly off the 52-week high of \$10.57 per share reached a week ago. Benihana's board said the changes in the stock structure will make the company more attractive by "providing investors with greater liquidity, aligning voting interests with economic interests and simplifying the capital structure." The company plans to continue with its "renewal program," designed to improve the guest experience at Benihana and increase profitability. After more than a year of same store sales growth, increases in loyalty club membership and rising restaurant traffic, management sees indicators that the program is on the right track.

Source: The Miami Herald

Familiar Brands are Leaving Military Bases in Iraq

As U.S. troops prepare to leave Iraq, the few perks of living on military bases are among the first casualties of the withdrawal. Fast-food restaurants, boutique coffee shops and other comforts of home that have helped soldiers get through the years will be shuttered this summer. Their closing has met with muted grumbling from many of the 46,000 troops who remain. Heading into Green Beans Coffee, a shop at Camp Victory outside Baghdad, Army Lt. Randy Williams said it's a needed respite. "I'm here often," said Williams, 46, of Lakeland, Fla., who was collecting his evening espresso. "The environment, the vibe -- it's low-key and calm. You feel you can exhale." For years, private contractors have cashed in on soldiers in Iraq by serving them a slice of home from Pizza Hut and Burger King kiosks parked on bases. Cinnabon and Green Beans serve the best joe on post. "You just need a break every once in a while, so it's good to have Subway or coffee when you're missing being back home," said Army Spc. Nicole Meixner, 33, of Detroit.

Source: The Associated Press

A&W Ramps up Growth in Thailand

A&W Restaurants has set ambitious expansion plans throughout Thailand and Malaysia, aiming to open 100 outlets in four years under the direction of licensee KUB Malaysia Berhad. According to the Bangkok Post, KUB has been an A&W franchisee in those two countries for 10 years. A&W has had a presence in Thailand since 1983. There are currently 41 outlets in Thailand and KUB's general manager, Haniza Ros Nasaruddin, said another 59 will be added by 2015. Five are expected to open this year in Greater Bangkok. Additionally, existing stores will be renovated and marketing efforts will be ramped up for the brand, which is expected to turn in a sales increase of 30 percent this year. In Malaysia, KUB anticipates an increase of 50 restaurants, from the current 50, by 2015. With a successful presence in these countries, KUB is also anticipating an expansion into other Asian markets, specifically eyeing Singapore and Brunei. KUB Malaysia has a franchise license from Yum! Restaurants to operate A&W in Thailand and Malaysia. Yum! Announced earlier this year that it is actively looking for a buyer for its A&W and Long John Silver's brands.

Source: QSRWeb.com

Giordano's Chapter 11 Trustee Appointed, Operations Continue Unchanged

Philip V. Martino was appointed the Chapter 11 Trustee for Giordano's Enterprises, Inc., Giordano's Franchise, Inc., Americana Foods, Inc and thirty affiliated companies by the U. S. Bankruptcy Court for the Northern District of Illinois, Eastern Division. The Company operates six restaurants and is the joint venture partner or franchisor for forty one additional locations. The joint venture and franchise locations are not included in the Company's Chapter 11 proceedings. In addition, the Company operates Americana Foods, Inc. that serves as the commissary for the Illinois restaurant locations. Mr. Martino, a partner with the law firm of Quarles & Brady with extensive expertise with restaurant franchise operations, stated, "Thanks to the strong support of Fifth Third Bank, the Company's primary secured lender, the Official Creditors' Committee, and the continued performance of Fred Caruso as Chief Operating Officer, day to day business operations will not change because of my appointment. This will allow me to focus on the sale process already underway. Even though the formal marketing process for the sale of the Company

has not begun, I am amazed at the level of interest expressed by numerous parties”.

Source: BusinessWire



Double-Digit Sales Gain Boosts Krispy Kreme Net

Double-digit revenue growth helped drive a sharp gain in earnings at Krispy Kreme Doughnuts, Inc. in the first quarter. Net income in the quarter ended May 1 totaled \$9,171,000, equal to 13c per share on the common stock, up 105% from \$4,468,000, or 7c per share, in the same period of fiscal 2011. Net sales rose 14% to \$104,600,000 from \$92,117,000. “We delivered a strong performance in the first quarter, characterized by double-digit revenue growth, a significant increase in consolidated operating income, and our best quarterly net profit since the fourth quarter of fiscal 2004,” said James H. Morgan, president and chief executive officer. Substantially improved results in the company stores segment were a major driver of our improved results. We also benefitted from lower impairment charges and lease termination costs and a significant reduction in interest expense resulting from the January 2011 refinancing of our credit facilities. “While commodity costs created some headwinds, and will continue to do so for the remainder of the year, we believe we are off to a good start in fiscal 2012. We are pleased to reaffirm our outlook for consolidated operating income, exclusive of impairment charges and lease termination costs, of between \$22 million and \$24 million for the year, although we believe first-quarter results make the high end of that range appear increasingly achievable.”

Source: FoodBusinessNews.net

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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