



May 16, 2011

Dunkin' Brands to Go Public

Dunkin' Brands Group Inc. is the latest private-equity-backed offering to arrange to go public in the U.S., with the coffee and doughnut restaurant chain registering for an IPO. Dunkin' operates the Dunkin' Donuts coffee shop chain and Baskin-Robbins ice cream shops. Dunkin' Brands, which was acquired in 2006 by a group of private-equity firms, registered to sell up to \$400 million in common stock in an initial public offering; that number is used solely to calculate filing fees, so the final amount it raises could vary significantly. The company didn't specify a price range, share size or date for its IPO, but most deals take about three months from filing to launch, so it is likely to go sometime this summer. Dunkin' which operates the Dunkin' Donuts coffee shop chain as well as Baskin-Robbins ice cream shops, plans to list on the Nasdaq Stock Market under the symbol DNKN. Bankers and market observers say more private-equity-backed IPOs like that of Dunkin' Brands are likely to be filed this year, as the funds owning the stocks seek to exit positions they took years ago. In Dunkin' Brands' case, Bain Capital Partners, Carlyle Group and Thomas H. Lee Partners LP have owned the company for five years; they purchased it from liquor company Pernod Ricard SA for \$2.43 billion. Earlier this year, private-equity-backed hospitals operator HCA Inc. and energy company Kinder Morgan Inc. completed successful IPOs of more than \$1 billion each. While the offering from Dunkin' Brands isn't likely to be as big as either of those deals, the company's brand recognition is likely higher among investors, said Scott Rostan, a former investment banker and founder of Training the Street, a financial-services learning company that trains junior professionals at investment banks in accounting, valuation and financial modeling skills. Both Dunkin' Donuts and the Baskin-Robbins brands date back to the 1940s. "Dunkin' is going to be a good bellwether on two fronts: one for private-equity backed companies seeking to go public, and also as further evidence of the strength and momentum of the IPO market this year," Mr. Rostan said.

Source: The Wall Street Journal

Rubio's Names New CEO

After five years at the helm of Carlsbad, Calif.-based Rubio's Fresh Cantina, Dan Pittard is stepping down as the company's president and CEO and will be replaced by Marc Simon. Pittard will remain on Rubio's board of directors, although no reason was given for his departure. Meanwhile, Simon has served as the company's chief operating officer since September 2009 and was its senior vice president of operations from November 2007 to September 2009. From 1994 to 1998, Simon served as vice president of Corporate Development at McDonald's Corporation where he helped identify, negotiate and complete McDonald's first non-hamburger investment, Chipotle Mexican Grill. Post transaction, he then joined Chipotle as a regional director and developed key markets such as Chicago, Minneapolis and Wisconsin, opening 144 new units for the chain. After leaving Chipotle, and prior to joining Rubio's, Simon served as CEO of America's 2 Incredible Pizza Company. He also spent 16 years with Ernst & Young LLP, where he became a consulting principal specializing in strategic planning consulting.

Source: FastCasual.com

McCormick & Schmick's Executives Announce the Portland Chain's for Sale

While continuing to insist that the unsolicited bid by Texas restaurateur Tilman Fertitta is too cheap, struggling McCormick & Schmick's Seafood Restaurants Inc. executives said Monday afternoon that the chain plans to put itself on the market. The announcement came as the Portland company reported first-quarter earnings with flat sales and a loss of \$700,000, or 4 cents a diluted share, compared to a net loss of \$400,000, or 3 cents a share, in the year-ago period. While it aims to "engage in a sale process," the seafood chain's executives said that such a process may not ultimately lead to a sale. McCormick & Schmick's executives, who haven't commented publicly about the \$9.25-a-share tender offer, held a conference call Monday to discuss earnings in the quarter ended March 30. Chief Executive Bill Freeman said the company was "openminded" about the sale process, adding that in the meantime he'll push forward with a "revitalization plan" that includes employee training and \$6.5 million — down from earlier forecasts of as much as \$15 million — in upgrades to eight restaurants. The company also reported it closed two restaurants — in Schaumburg, Ill., and Boca Raton, Fla. — reducing its count to 94 locations. The chain had nearly flat sales in the first quarter and a 3.2 percent drop in comparable sales, a barometer of health that looks at units open at least a year. "We certainly had hoped for better results in this quarter but we firmly believe that the strategic decisions we have made and that we continue to implement are best for the long-term success of our business and our stockholders," Freeman said.

Source: OregonLive.com

Former Outback Executive Launches Heat-at-Home Fitlife Foods

A former Outback Steakhouse executive has launched Fitlife Foods, a sleek takeout place dishing up fresh-made, heat-at-home meals that only sound indulgent. Good-for-you restaurant fare has rarely been good for businesses trying to attract repeat diners. But borrowing some culinary tricks from Seasons 52, an upscale chain known for tasty sub-500-calorie entrees and keeping no butter on premises, Fitlife owner David Osterweil is counting on spices, cooking techniques and obscure combinations to make foodies forget they're downing less fat, lower sodium and fewer bad carbs. "We're about taste and well-balanced meals, not deprivation," said the 33-year-old founder, who opened Fitlife Foods at 1902 S Dale Mabry Highway in Tampa two months ago with a plan and kitchen capacity for three more stores locally within a year. The top seller: an unlikely barbecued beef with mac and cheese spiced with carrot, onion and secret seasonings. Other favorites are miso salmon over wok vegetables and quinoa, and a breakfast muesli of steel-cut oats, almonds, Greek yogurt and fruit mixed with orange blossom honey. Serving-size pricing reinforces portion control. Small entrees priced around \$6.50 typically pack fewer than 400 calories while large portions hit \$11.25 and barrel beyond 600 calories. Osterweil, the product of a fourth-generation Tampa family, started with Outback in a waiter's job at one of the founders' brother's restaurants in Virginia as he worked on his MBA at American University. Back in his hometown, Osterweil rose from an Outback corporate intern to Carrabba's Italian Grill's director of culinary strategy.

Source: Fitlife Foods

Dunkin' Appoints President of International Unit

Dunkin' Brands Group Inc., the Canton-based parent of Dunkin' Donuts and Baskin-Robbins, said that Neal Yanofsky has been appointed to the newly created position of president, international. Yanofsky will be responsible for strategically building the Dunkin' Donuts and Baskin-Robbins brands outside the United States, Dunkin' Brands said recently. He will report directly to Nigel Travis, Dunkin' Brands' chief executive and president Dunkin' Donuts. Yanofsky joins Dunkin' Brands from Generation Mobile, a venture-backed retailer of wireless products and services where he served as chief executive. His resume also includes stints as president of Panera Bread, a casual dining chain, and as a vice president of Fidelity Ventures, the private equity arm of Fidelity Investments.

Source: The Boston Globe



Granite City Food & Brewery Completes \$9.0 Million Preferred Stock Transaction with Concept Development Partners and Obtains Credit Facilities for \$10.0 Million

Granite City Food & Brewery Ltd. announced that it has completed the previously announced transaction with Concept Development Partners LLC (“CDP”). The Company issued \$9.0 million of newly issued convertible preferred stock to CDP, entered into a \$10.0 million credit agreement with the Structured Finance Group of Fifth Third Bank providing for senior credit facilities, repurchased 3 million shares of common stock from DHW Leasing, L.L.C. (“DHW”) for approximately \$7.1 million, and purchased real property in Troy, Michigan from DHW for approximately \$2.6 million. The Company sold 3 million shares of Series A Convertible Preferred Stock to CDP, each share of which is convertible into two shares of Granite City common stock, equivalent to a conversion price of \$1.50 per share. CDP has become Granite City’s largest shareholder as a result of these transactions. Granite City’s President and Founder Steven J. Wagenheim said, “We are very pleased to have completed these transactions. We expect to deploy these new funds to generate additional revenue through store enhancements and new store growth within our existing geographic footprint. We are analyzing potential new restaurant sites and believe that this transaction will be the catalyst for a new and exciting growth period for Granite City.” Granite City also is implementing new strategies to generate additional revenue in existing stores, including the addition of private dining rooms for events and regular dining, and increasing the square footage of bar areas. And, Granite City will seek to operate existing and future stores more efficiently through technological improvements in the Company’s table management and kitchen operations. The goal of these improvements is to increase table turnover, provide a higher level of service to customers, improve overall dining experience and increase sales. Robert J. Doran has become the Company’s Chief Executive Officer and Dean S. Oakey has become the Company’s Vice President - Chief Concept Officer as a result of the transactions. Messrs. Doran and Oakey are managing partners of CDP Management Partners, LLC, a merchant banking firm focusing on principal investments and consulting in the restaurant, food processing, and retail industries. Mr. Doran was employed by McDonald’s Corporation for over 30 years most recently as Executive Vice President of McDonald’s USA and Mr. Oakey served for 13 years as managing director of investment banking at SMH Capital Corp., an investment banking firm. “CDP Management Partners LLC and CIC Partners have worked together to seek out compelling concepts in need of capital and experienced operating partners to help them accelerate their growth trajectory. We believe Granite City Food & Brewery is just such a concept,” said Rob Doran. “The quality of Granite City’s handcrafted food, beer, fun atmosphere, and great restaurant staff have proven their popularity with Granite City’s expanding customer base. Our plan going forward is to build upon the Company’s great success and continue to provide our guests with a superior dining experience.”

Source: Granite City Food & Brewery Ltd.

Three Yum Brands Among Most Valuable in Fast-Food Segment. KFC Was One of the Top Fast-Food Brands Based on the Brand’s Estimated Value

Three of Yum! Brands Inc.’s brands were among the top-ranked in the fast-food industry, according to a ranking developed by Millward Brown Optimor. The ranking focuses on the value retail brands. No area companies made the BrandZ Top 100 Most Valuable Global Brands ranking, but KFC, Pizza Hut and Taco Bell each made a list of Top 10 most-valuable fast-food brands. KFC was No. 4 with an estimated value of \$8.2 billion, followed by No. 5 Pizza Hut with an estimated value of \$5.3 billion. Taco Bell was No. 9 with an estimated brand value of \$1.9 billion.

The top fast-food brand was McDonald's Corp., which was valued at \$81 billion. McDonald was ranked No. 4 on the Top 100 list. The No. 1 brand overall was Apple, with a brand value of \$153 billion, up 84 percent from a year ago. It surpassed Google, which saw its brand value fall 2 percent to \$111.5 billion.

Source: Business First

Sunny Street Café Plans Canadian Expansion

US-based breakfast-lunch chain Sunny Street Café has signed a 40-store development agreement for Western Canada and plans to offer a similar menu to its US counterpart with a few regional modifications. The menu features fresh cut fruits, fresh salads and sandwiches, and signature dishes such as Stuffed French Toast and Bananas Foster Pancakes, as well as other unique daily offerings like homemade grits and a quiche of the day. Restaurants also will offer locally-sourced foods and produce. Sunny Street Café president Scott Moffitt said the chain has growth potential in Canada and the Canadian breakfast, lunch segment is evolving quickly which gives them an opportunity to capture a significant portion of the niche. The development territory includes the four western Canadian provinces and three northern territories. The first location is set to open in late summer or early fall in the Edmonton, Alberta area.

Source: Food Business Review/Sunny Street Café

China Grill Management Fully Acquires Rights to Asia De Cuba - Sells Equity of Morgans Hotel Group Joint Venture Food and Beverage Outlets to Morgans Hotel Group. China Grill Management Plans to Re-launch the Asia de Cuba Concept Globally with Multiple Locations

China Grill Management ("CGM") announced today that it will sell to Morgans Hotel Group ("MHG") the 50% interests that it owns in its food and beverage joint ventures at Delano, Mondrian Los Angeles, Mondrian South Beach, Morgans, Sanderson and St Martin's Lane, for approximately \$20 million. CGM has also entered into agreement with MHG to obtain full ownership of the Asia de Cuba brand and all intellectual property associated therewith. Jeffrey Chodorow, Founder & Chief Executive Officer of CGM states, "CGM has had a successful and profitable partnership with MHG for many years but we both felt it was time to reassess our brand strategies, taking both in a new direction. We value the time spent in partnership with Morgans Hotel Group and are now focusing on re-introducing the Asia de Cuba concept globally with multiple locations set to open over the next several years." CGM will continue to manage the operations for a transitional period. CGM has also agreed to license the Asia de Cuba trademark to MHG during the transition and will continue to manage the food and beverage operations in those hotels for terms of up to 1 year (for most of the hotels) and up to 2 years (St Martin's Lane). The transaction is expected to close in the second quarter of 2011 and is subject to satisfaction of certain closing conditions. The original Asia de Cuba opened to huge success and critical acclaim in Ian Schrager's Morgans Hotel in 1997, and started the partnership with Ian Schrager and Ian Schrager Hotels, the predecessor to Morgans Hotel Group.

Source: China Grill Management

Wendy's/Arby's Reports Progress on Selling Arby's, Will Raise Prices

Atlanta-based Wendy's/Arby's Group said it has made "substantial progress" on selling the Arby's side of the company, a move that would unwind a merger that was finalized less than three years ago. The company is talking to "several quality bidders," chief executive Roland Smith said on a conference call. Meanwhile, the company faces what it describes as a transition year. Its first quarter revenue grew 1.2 percent to \$848 million. Sales at established stores in North America were flat at Wendy's, but sales at Arby's rose sharply and beat analysts' expectations. The parent company put Arby's up for sale earlier this year. Arby's, where sales rose 5.5 percent at restaurants open at least a year, benefited from an everyday dollar value menu and a new "Angus Three Cheese & Bacon Sandwich," executives said. Wendy's/Arby's shares rose 4 percent on the New York Stock Exchange, the steepest increase in more than two months. But the parent company lost \$1.4 million as the Wendy's brand struggled. That was a narrower loss than in the same period last year, when the company incurred a net loss of \$3.4 million.

Wendy's/Arby's, the country's third-largest fast food chain, said its commodity costs would rise 5 to 6 percent for the rest of the year, faster than previously predicted. It will raise prices to offset higher costs for beef, bacon, fry oil and dairy ingredients, but did not say by how much. Sales at Wendy's restaurants open at least a year were "sluggish," said analyst Sara Senatore of Sanford C. Bernstein. That implies continued market share loss to McDonald's, she said. Even the guidance for flat profit margins at company-operated Wendy's restaurants may prove overly optimistic, she said. Wendy's expects to be serving its new breakfast items in about 1,000 restaurants by the end of the year. The brand is also introducing "Dave's Hot 'n Juicy cheeseburgers," new chicken sandwiches, a berry Frosty and a Berry Almond Chicken Salad.

Source: The Atlanta Journal-Constitution

Restaurant Concepts Expand on Foreign Shores

For two years restaurant chains scaled back their expansion efforts in the United States, opting to wait out the recession before embarking on global franchise efforts. Toward the end of 2010 and in the first quarter of 2011, announcements have been made almost weekly communicating the latest round of franchise agreements destined to expand the dining footprint in countries across the globe. While some chains are choosing to grow in the United States, a larger movement is taking place that will take the likes of Jamba Juice, Buffalo Wild Wings, Charley's Grilled Subs and Moe's Southwest Grill to locales in Canada, Europe and the United Arab Emirates. "For us, it was one of the strategies that we had discussed over the past two years, but we had to go through a process to select the countries to develop Buffalo Wild Wings," said Mo Sawda, managing director, International, with Buffalo Wild Wings. For BWW, Canada offered the best chance of success for their first international location, even though it tied with Australia as the leading international growth market during the chain's assessment of foreign markets. While its proximity to the United States was one standout positive, the chain's ability to build upon brand awareness and tap into Canada's sports advocacy proved persuasive. "A good percentage of Canadians have seen Buffalo Wild Wings and we think that Canadians will have a great love for it because of beer, sports and wings. We believe that Canada would open a tremendous opportunity of growth for us," Sawda said. "Yes, it is close to the U.S., but we need to be careful and respectful of the Canadian culture so we need to adjust our model to meet the local business needs." For example, hockey could be the chain's focus in Canada rather than football, as it is in the United States. So far, the chain is anticipating the opening of 50 units in Canada over the next five years based on a mixed corporate and franchise-owned store model. Expansion in the United Kingdom also is being reviewed while Buffalo Wild Wings focuses on Canada. "When we visited the United Kingdom, we thought that if we grew in the U.K., it would give us the opportunity to launch in the EU and Eastern Europe. Right now we have meetings with the Australian business industry, and it could be the third country we launch after the U.K., or it could be simultaneous," Sawda said. "We have a dedicated team and a clear objective on the five year plan, and the team is very focused on those objectives."

Jamba Juice: It seems the U.S. concepts that are interested in developing are as diverse as the chains themselves. While Jamba Juice also is targeting Canada for growth, the company is launching an expansion program in Asia, South America and the Middle East. The first deal took the brand into South Korea in 2010, and a second will see units opening in Canada. "We identified about 12 countries that we are proactively pursuing and basically, there are a lot of small opportunities out there, but I'm not interested in launching in markets where the size is 12 stores," said Thibault de Chattelus, Jamba Juice's senior VP of global franchise development. "We need an area with strong location expansion and a partner that will deliver. We have to see the 50 stores being developed successfully." In order to successfully launch an international expansion package, the company has incorporated lessons learned by watching quick-service restaurant expansions across the globe. "We will be more relevant locally when it comes to specific menu items and provide more local offerings. Being a California-based business, there is significant brand awareness of Jamba Juice in several Asian markets as people have traveled to the West Coast. So, we're starting with fairly healthy brand awareness," de Chattelus said. The chain's South Korean partner, SPC Group also operates 3,500 retail outlets including bakery and coffee shops, and they are a prime operator for Dunkin' Brands. SPC is slated to bring 200 units to South Korea over the next 10 years. "The smoothie product is very universal, but we've done very minor tweaks in some of the secondary lines of our product portfolio to adjust to the sensitivity of the Korean palate," said Jamba president James White. "Ancillary, complimentary food is what will be localized. Those products will not exactly be the same, but along the same lines." "We'd like to make expansion a bigger priority for the company from a growth acceleration standpoint. And we're equally excited about the partner we're going to Canada with. We don't want to worry about what our partners are doing over there when they have our brand in their hand," White said.

Source: FastCasual.com



McDonald's Revamps Stores to Look More Upscale

At a time when most of McDonald's competitors are still shell-shocked from the recent recession, the fast-food giant is undertaking its biggest store-by-store makeover in the chain's 56-year history: The 500-pound clown of fast food is trying to look more like a grown-up. It's a \$1 billion-plus undertaking that McDonald's and its franchisees hope, by 2015, will have the vast majority of America's 14,000 McDonald's looking comfortable enough to hang out in long after you've gobbled down your burger, fries — and smoothie. For the next generation of McDonald's customers, the notion of what a McDonald's restaurant looks like inside and out could be turned on its head. Goodbye, fiberglass tables and industrial steel chairs. Adios, neon-yellow, bright-red interiors. Hello, wooden tables, comfortable faux leather chairs and interiors newly painted in muted oranges, yellows and even subtle greens. Take away all the McDonald's signage — and the familiar front counter area — and customers who were to drive by or step inside wouldn't likely know they were face-to-face with a McDonald's. Even from the street, many of the changes are immediately apparent. No more clown-red roofs. No more confusion about what door to use. And that all-too-familiar white facade has been replaced with more inviting earth tones and glass. Before any other media have eyeballed the changes — even before select restaurant industry analysts get a sneak peek later this week — USA TODAY was given a look at the McDonald's remodeling plans in Tampa that will set the tone for the rest of the nation. After revamping 280 stores in various markets last year, McDonald's is now opting for the Tampa model and will spread that design to upwards of 800 locations this year — roughly triple what it did last year. "McDonald's has to change with the times," says Jim Carras, senior vice president of domestic restaurant development for the giant chain. "And we have to do so faster than we ever have before." McDonald's isn't just doing this to make customers cozy. It's doing it to try to quash its rivals — particularly Burger King and Wendy's — that don't have McDonald's deep pockets and the recent sales success necessary to make such costly upgrades. It's doing it to try to pry customers away from slightly pricier casual chains, including Panera Bread and even Chipotle, the Mexican chain that had once been partly owned by McDonald's. And it's doing it to begin cementing a new image of McDonald's in the minds of consumers. If the new look proves to be a hit, it could redefine America's biggest restaurant chain and nudge competitors at all ends of the spectrum to find some way to respond. If consumers don't buy in, however, it could become McDonald's \$1 billion folly. With this change, McDonald's risks looking so different from the McDonald's most Americans have grown up with that a key part of its customer base — namely, families with young kids — could feel less welcome. "Flashy decor may not sit well with Middle America," warns Scott Hume, editor of the restaurant industry blog BurgerBusiness. "The trick is to go techno without going Jetsons." If the change works, "This could be a game-changer for McDonald's," says David Palmer, analyst at UBS. McDonald's McCafes already have borrowed the wildly profitable specialty coffee concept from Starbucks. Now, it's also borrowing small pieces of Starbucks' look and feel. Starbucks executives declined to comment on the changes. McDonald's — which for years has emphasized serving customers quickly then getting them out the door — will continue expanding its food and beverage menu, with plans to add even more upscale munchies. The chain no longer wants to rush you in and out. Now it wants you to stick around and tap into free Wi-Fi service as you sip a cappuccino or smoothie. To do so, McDonald's plans to spruce up its outlets like never before. Some are being remodeled. Others are being rebuilt from the ground up. The biggest driver behind the redo: Nicer-looking stores attract more business. Even a smash-hit new product fails to attract as much business as a redesign, Hume says. The handful of Tampa-area stores that franchisee Blake Casper already has redesigned over the past year have seen double-digit sales boosts, he says. "We want people to say that it feels like a modern building," says Max Carmona, senior director of U.S. restaurant design. Perhaps more than anything, the domestic modernization of McDonald's is about simplicity. Some designs were borrowed from McDonald's already ultra-modernized outlets in Europe and Australia. Some ideas came from slightly more upscale competitors. Some even came from Apple. "We're not trying to be Apple," he says. "But we can be inspired by them. When you're inside an Apple Store, you almost feel like

you're inside an iPad — and you want to stay there. We want people to walk into McDonald's and have the same feeling."

Source: USA TODAY

Subway Announces Expansion Plans in India

US-based quick food service restaurant chain, Subway has announced an investment of INR400m (\$9m) to set up 45 outlets across India by 2011-12. Subway said it presently has 205 outlets in India and plans to take its count to 250 by the end of this fiscal and further has plans to focus not only in metro cities but also in places such as Chandigarh, Hyderabad, Pune and Ahmedabad. Subway Systems India development agent Manpreet Gulri said the chain's goal is to have 530 units by the end of 2015 and concentration lies on the cities where the chain can open multiple restaurants to receive proper logistics and operational support. The expansion process will be aided by the recent appointment of Delhi based McCann Erickson India as its new agency of record, the company said.

Source: Food Business Review/Subway

A Promising Spring for the European Hotel Industry Growth

Capping 2011's first quarter results, March stays in line with the continued growth of global performance of the hotel industry within the 27 countries of the European Union. In March, the two indexes remain positive, with a slight improvement in Occupancy Rate and a stronger push upward in Average Daily Rates. Therefore, the +5.7% growth in RevPAR across the board confirms the two preceding months' trends (+7.5% and +5.3%) and forecasts a rather promising spring. For the first quarter 2011, European RevPAR posts a +5.9% growth. On a global level, for the whole quarter, the balanced nature of supply of chain hotels in different countries across the region (strong Economy segment in Western Europe, and a predominance of Upscale hotels in Eastern Europe) limits the variations between the different hotel categories. Nevertheless, in the great majority of the countries, it's the high-end sector that is responsible for the steady growth of RevPAR since the beginning of the year because they are taking advantage before anyone else of the comeback of overseas and intra-European business travel. Although occupancy growth is still modest, the average rates of the four and five star segments are clearly improving. If performance from the European Union is globally and individually positive, there are however strong disparities. Among the "heavy-weight" hotel markets that usually support the growth of the hotel cycle (Germany, France, and the United Kingdom), France's position was an exception last March. For all sort of circumstantial reasons (Change in dates for spring break, elections, few MICE events), occupancy rates declined, which surprised a number of hoteliers. It didn't affect sales strategy and average rates allowed them to compensate for this minor weakness. It seems that the month of April already put an end to this temporary glitch. In Germany, as in the United Kingdom, the trend is stronger. Rates, whatever their category, are still gaining some points as the Average Daily Rates are growing steadily. Germany's fiscal re-launch policy continues its mission of making up for past losses, even if it doesn't produce the same spectacular growth posted the year before. On a smaller level, Belgium and the Netherlands are on the same wavelength, even if the Netherlands also recorded a minor weakness last March in the economic category. Countries in southern Europe are also engaged in a race to attain their pre-crisis results. Spain is starting to reap the benefits of the "North Africa" effect, meaning that tour operators are sending their clients to the Balearic and Canary islands because of the loss of beaches in the "affordable sunbelt" in the Southern Mediterranean. This also affects Portugal and Greece, which is slowly coming back on line after a difficult start in 2011. However, Italy is not considered an alternative destination and is committed to holding an aggressive price policy to maintain its hotel occupancy. In Central Europe, the calendar of conferences is weighing down on performance. Austria is the flavor of the month of March with a 26% growth in RevPAR coming from Vienna's excellent results, a capital which is in the lead of European cities popular for international conventions. Poland is slowly growing ahead of its capital's problems with overcapacity. The other good news, in Scandinavia, come from Denmark, which finally erased the effects from the wide delta between 2009 and 2010. Indeed, the absence of international Climate and Environment conferences plummeted its results throughout 2010. The cycle is now turning on solid ground from the economic upturn.

Source: Ehotelier.com



Naked Pizza Picks Phoenix for Training Facility

New Orleans-based Naked Pizza has chosen Phoenix as the site for its new corporate development hub. The company will use this location to build on its expansion plans, which include developing and operating at least 12 corporate-owned store locations, with six set to open by year's end. Phoenix also will be home to a Naked Pizza franchisee training facility. The company's decision to develop its corporate training center in Phoenix stems from a desire to grow and create jobs while maintaining a distinct social mission. Naked Pizza's co-founders see substantial opportunity to boost local economic development in Arizona's hard-hit post-recession economy. The U.S. Census Bureau reports that 20 percent of Arizona residents now live in poverty, the second highest rate in America, with the state unemployment rate at 9.5 percent. In addition to the corporate training hub, which will be located in the Litchfield Park area of Goodyear, Phoenix's first franchise location is scheduled to open this month. Naked Pizza features an Ancestral Blend crust made with a diversity of 10 grains, prebiotic-fiber and heat-resistant probiotics. The recipe also includes an herbed sauce void of added sugar or citric acid, 100 percent natural and rGBH-free mozzarella cheese, and all-natural vegetable and meat toppings free of additives, hormones and antibiotics. "Our recipe is based on a 200,000-year-old nutritional blueprint which was abandoned in lieu of a highly-processed diet limited in diversity and low in fiber that is contributing to an exploding obesity rate," said Naked Pizza co-founder Jeff Leach, "We perfected a physiologically correct pizza that tastes delicious – hoping to prove that fast food can be part of the solution, not the problem." Since its 2009 launch as a franchise company, Naked Pizza now has 15 open locations — including two in Dubai (UAE). Naked Pizza is on pace to have 50-75 open stores by the end of 2011 with upcoming locations coming to New York City, Washington, D.C., Boulder, Colo., Denver and Princeton, N.J. Naked Pizza also recently awarded franchising rights in Philadelphia and Chicago.

Source: PizzaMarketPlace.com

McDonald's Announces Expansion Plans in China

US-based fast food restaurant chain, McDonald's has announced its plans to open 700 new stores in China, by 2013. McDonald's spokeswoman Betty Tian said that the fast food provider intends to stretch its Chinese operations to 2,000 stores by 2013, up from its current 1,300. In December, McDonald's said it would open 200 new outlets in China by the end of 2013 and has accelerated its expansion target in the country. McDonald's China chief executive Kenneth Chan said the chain is expanding faster in China than in any other market in the world. McDonald's generated revenue of \$24.58bn and earnings reached \$5.07bn in past 12 months while quarter over quarter yearly sales growth remained 8.94%. The company has been operating in China for the past 20 years and is eager for expansion in China as the rivalry in the fast food industry is gearing up.

Source: [Food Business Review/McDonald's Corp.](http://FoodBusinessReview.com)

TGI Friday's Plans £70m UK Investment

The US owner of TGI Friday's, the American-themed restaurant group, is to invest £70m in the UK over the next four years in a move that could create as many as 5,000 jobs. Carlson, the leisure and travel conglomerate which owns the chain, is to plough the money into its British operations to expand the number of sites and further revive

the brand. News of the investment comes as the restaurant celebrates its 25th birthday in the UK, and a year after Carlson moved to take full control of the UK business. Karen Forrester, UK managing director, told The Sunday Telegraph that the company's "plans are for growth". "We are pumping £70m into the brand over the next four years," she added, the majority of which will go on finding and opening new sites. TGI Friday's currently operates from 49 restaurants in the UK, but Ms Forrester said the funding will take the chain up to 70, by locating new units on what she referred to as "triple-A shopping and leisure locations". However, she admitted there is potential for as many as 100 sites across the UK, by looking at secondary sites and smaller restaurants. With each restaurant employing approximately 100 people, an extra 50 sites could mean as many as 5,000 jobs at the chain in coming years. But Ms Forrester said she has no intention of saturating the brand. "We would never want there to be a TGI Friday's on every corner. It is all about the experience." Ms Foster joined the business in December 2007 after 15 years at Mitchells & Butlers. She joined shortly after Whitbread sold the business to Carlson and private equity firm AAC. Carlson moved to buy out AAC's 60pc share last year in a deal which valued the business at £60m. Since then, she has set about reviving the brand by going back to basics, focusing on TGI Friday's "original values" of service and experience. Last year, according to the Coffey Peach Business Tracker, TGI Friday's sales were 6.5 percentage points ahead of the rest of the casual dining sector, a trend which Ms Forrester said had continued in the first quarter of this year. TGI Friday's opened its 49th British site – in Aberdeen – over the Easter weekend, and has earmarked two more units to open this year, one at Stratford, east London, at the new Olympic retail park, and another in Manchester city centre. The £70m investment fund will also be spent on refurbishing restaurants and staff training.

Source: The Telegraph, London

Starwood Marks Milestone with The Chatwal New York

Starwood Hotels & Resorts Worldwide Inc. has signed a license agreement with The Chatwal New York, an acclaimed 83-room property in Manhattan's Theater District, marking The Luxury Collection brand's debut in New York. The addition of The Chatwal New York also represents another milestone for Starwood with New York City becoming the first and only city in the world to boast all nine of its distinctive and iconic brands: Sheraton, Westin, Le Meridien, W, St. Regis, The Luxury Collection, Four Points by Sheraton, Element and Aloft. The Luxury Collection brand is a diverse ensemble of more than 75 of the world's finest hotels and resorts in more than 30 countries. All of these hotels, many of them centuries old, are internationally recognized as being among the world's finest. As the newest member of The Luxury Collection family, The Chatwal New York joins a portfolio of celebrated and iconic properties, including Hotel Gritti Palace, The Astor Tianjin, The Liberty and The Royal Hawaiian. A dramatically re-envisioned "baby grand" hotel, The Chatwal has emerged as the Great White Way's newest leading light. Meticulously restored and modernized by architect and designer Thierry Despont, The Chatwal New York occupies a spectacular Art Deco building designed by iconic architect Stanford White in 1904. The Chatwal hotel seamlessly blends Gotham's bygone glamour with the impeccable service and modern luxury that defines the Luxury Collection brand. "We are thrilled to welcome the esteemed Chatwal New York as The Luxury Collection brand's newest hotel, and the brand's first in New York. It is through partnerships like this one, with Mr. Sant Chatwal and his company Hampshire Hotels & Resorts, that Starwood continues to successfully grow this outstanding, niche brand," said Paul Sacco, senior vice president, North American Development, Starwood Hotels & Resorts. "The Luxury Collection offers a gateway to the world's most enriching and desirable destinations, where nothing less than an extraordinary level of service, distinctive heritage and authentic character will do," said Paul James, global brand leader, The Luxury Collection Hotels & Resorts. "With the building's rich storied past, exceptional renovation and ideal location, The Chatwal is destined to be a coveted destination for global travellers and an unparalleled way to experience the vibrant energy of New York City." "The relationship with The Luxury Collection will unlock the true potential of The Chatwal New York, which has emerged as a leading luxury hotel in globally-significant New York," said Mr. Sant Singh Chatwal, chairman and chief executive officer of Hampshire Hotels & Resort. Working with industry-leading Starwood Hotels & Resorts to leverage the scale and reputation of the company as a global hospitality leader will position this uniquely luxurious hotel for much future success."

Source: Ehotelier.com



Johnny Rockets Opens New Retail Outlet in Sacramento

Johnny Rockets, an American restaurant franchised concept has opened its third restaurant near Folsom in Sacramento County, California. The restaurant opened its doors to the public on 14 April, in the Palladio at Broadstone, bringing Americana to the 595,000 sq. ft. lifestyle center, opened since 2009. As an added draw for diners, the self-proclaimed 'Home of the Original Hamburger' is located directly across from the 16-screen movie theatre and has a relaxed, casual atmosphere that appeals to all ages and lifestyles. Johnny Rockets franchise owner Tariq Munir said it is a family restaurant, a date restaurant, a business lunch restaurant and a place that offers everyone the uncomplicated goodness of all-American food and fun. "The city of Folsom and nearby areas are saturated by young, affluent families, making Johnny Rockets an ideal restaurant concept for this growing community and center," Munir added.

Source: Food Business Review/Johnny Rockets

Yum! Brands Opens New KFC Franchise Restaurant in Indonesia

Yum! Brands has announced the opening of the 400th KFC franchise restaurant in Jakarta, Indonesia, by its international division, Yum! Restaurants International (YRI). Yum! Restaurants International CEO Graham Allan said the expansion enables them to continue to drive growth in Indonesia and other countries in Asia as well as key emerging markets like India, Russia, Africa and Latin America. Yum! Restaurants International Asia Franchise Business Unit managing director Siddharth Varma said they hope to have more than 1,000 KFC and Pizza Hut restaurants in Indonesia by 2015. "We believe we have a long runway for growth in this dynamic emerging market. We have only two restaurants per million people in a country where nearly 50% of the population lives in urban areas," Varma added. Yum! Restaurants International has more than 14,000 restaurants in more than 110 countries and territories outside of the US and China.

Source: Food Business Review

Jersey Mike's Inks New Expansion Deals

Jersey Mike's Subs is set to expand in several new markets with the addition of new franchise partners. With these new partners, the company is set to grow in Texas, Colorado, Los Angeles, Chicago, Minnesota, Wisconsin and Delaware/Maryland. Also, existing operators plan to expand in 14 other territories. New Jersey Mike's partners include restaurant industry veterans Bryan Selden and Jeff Worthen of Lone Star Restaurant Group, who opened two new units and have development agreements for an additional 15. The team's other brands include 11 Great American Cookies, two Pretzel Times, six Wingstops and six Smashburgers (out of a 20-store agreement). They were recently named area developers for TCBY self-serve for the state of Texas and have several stores in various stages of development. Also, Brad Mouly is opening 10 units in Delaware and along the eastern shore of Maryland. He has been in the franchise foodservice industry for more than 21 years, starting his career in foodservice with Domino's Pizza in 1990. He advanced through the system for eight years, winning numerous awards, and then went on to franchise four Domino's Pizza stores in Maryland for the past 14 years. Two additional franchise groups are helping expand the already successful Chicago market, which recently opened its 20th store in just over two years. Jason Corriveau and Bud Patel, drawing on their experience with brands such as Wendy's and Dunkin' Donuts, will

open 10 units. Finally, Mac Shimmon and Lisa Furleigh will open 10 units in the Chicago market. They bring extensive operations, marketing and team building experience from brands including Dunkin' Brands, Wendy's, and Pizza Hut. "We are determined to grow with the right partners and we have identified a group we believe will help us continue to build momentum for the Jersey Mike's brand throughout the country," said Peter Cancro, founder and CEO, Jersey Mike's Subs. "Jersey Mike's has been around for 55 years because we are highly selective about who joins our team. Having the financial qualifications is not enough – we are looking for franchise partners, like these, who share our business philosophy and are top-notch operators."

Source: QSRWeb.com

Russo's New York Pizza Chains to Open in Dubai

Anthony Russo, owner of Russo's New York Pizzeria and Russo's Coal Fired Italian Kitchen has announced expansion into the UAE after awarding exclusive UAE territory rights to Dubai based Prime Hospitality, a division of Ghobash Trading & Investment Company. The agreement plans for 26 additional units in the Gulf alone over the next decade. This move follows Russo's appearance at the Gulfood exhibition, where the company served its signature 28-inch party pizza. "We chose Prime Hospitality as our partner for the UAE as their philosophy is similar to ours: a commitment to quality and fresh ingredients while offering our customers a most memorable experience for a reasonable price" Russo said. Murad Al Nasur, General Manager of Prime Hospitality, added: "Prime was established in 2009 and we carefully select the brands that we add to our portfolio" Al Nasur says. "We focus on quality and authenticity of the food that we serve in our restaurants and Russo's fits right in". Russo began franchising his New York Pizzeria in 1992 and has since expanded to 28 locations in Texas and surrounding states and developed the more up-market casual dining Russo's Italian Coal-Fired Kitchen concept. Prime Hospitality will be operating Russo's Restaurants throughout the UAE, with first openings planned in Dubai and Abu Dhabi later this year.

Source: HotelierMiddleEast.com

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