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Monomoy Capital Partners Acquires Oneida Ltd.

The Transaction will allow North America's tabletop brand and supplier of flatware and dinnerware to the foodservice market to work closely with The Anchor Hocking Corp., glassware manufacturer also owned by Monomoy. Monomoy Capital Partners, a New York private equity fund focused on value investment and business improvement in middle market businesses, announced that it has acquired Oneida Ltd. The acquisition marks the first transaction for the Monomoy Capital Partners II, L.P., Monomoy's second fund vehicle. Terms of the transaction were not disclosed. Founded in 1880, Oneida designs, sources, markets and distributes flatware and dinnerware in the consumer and foodservice industries throughout the world. The Company's markets include North America, Latin America, Europe, Middle East, Africa and Asia. Today, Oneida serves two broad market segments – foodservice and consumer. As North America's #1 foodservice supplier of flatware and dinnerware. Oneida is based in Oneida, New York; operates distribution centers in Savannah, Georgia, Canada, Mexico and England and maintains procurement offices in New York and Guangzhou, China. The company maintains the largest installed product base of flatware and dinnerware in the foodservice industry. "We are extremely excited to bring the iconic Oneida brand into the Monomoy portfolio," said Dan Collin, a partner at Monomoy Capital Partners. "Oneida is one of the world's most recognized brand names in home products with an established network of vendors and a strong management team. We look forward to assisting the Company in maintaining its leadership position and will immediately act to take advantage of Oneida's multiple avenues for growth and expansion both in North America and abroad." Following the close of the transaction, Oneida will work together with The Anchor Hocking Corp. Anchor's product line includes glass beverageware, bakeware, storage containers and barware; glass candle containers; high-end spirit bottles and specialty glass items. Anchor also sells glassware to both the consumer and the foodservice markets. "We could not ask for a better scenario: being acquired by Monomoy, well known for investing in brands and companies they believe in, combined with the privilege to work with another iconic American brand like Anchor Hocking that is a part of Monomoy's portfolio of companies. This is a unique opportunity," stated Jim Joseph, President and CEO of Oneida Ltd. "The resources of both Oneida and Anchor Hocking and our unrivaled relationships in the consumer and foodservice space will provide both companies with significant opportunities for continued growth over the next few years." Mr. Collin concluded, "A strong alliance between Oneida and Anchor Hocking will bring huge benefits to their customers and the industry as a whole." Richard Porter, Kevin Morris and Dustin Nygard of Kirkland & Ellis, LLP represented Monomoy in the transaction. Griffin Strategic Advisors, LLC and Ameridan Resources provided Monomoy with customer, market and strategic advice on Oneida, its competitors and markets. – Source: Monomoy Capital Partners.

Starbucks Acquires Evolution Fresh Juice Business for \$30M, Plans to Add Juice Bars

Starbucks Corp. hopes to do for juice what it's done for coffee. The Seattle-based company that changed the way Americans drink coffee said that it acquired by juice maker Evolution Fresh Inc. for \$30 million as part of a larger effort to move beyond just offering coffee. Starbucks said it plans to "reinvent" the \$1.6 billion super-premium juice segment with its purchase of Evolution, which is based in San Bernardino, Calif. The company plans to open a new chain of health and wellness stores in the coming year that will carry Evolution products such as juices and simple

foods. Details are still thin on the new chain, but Starbucks described it as a retail model that has never been seen before. “We are not just acquiring a juice company,” said Starbucks CEO Howard Schultz. “We are using this acquisition to position ourselves, in a broad way, to build a multibillion health and wellness business over time.” The move is the latest by Starbucks to broaden its business as consumers demand healthier products and it faces growing competition from the likes of McDonald’s Corp. and Dunkin’ Brands Group Inc.’s Dunkin’ Donuts chain. Starbucks has rolled out lower-calorie and lower-fat food options and sugar-free syrups and switched from whole milk to 2 percent milk as the default in its drinks. It’s also selling more products, like Seattle’s Best coffee and Via instant coffee, through grocery stores and other retailers. Starbucks, which estimates that at some point in the future its consumer products business will rival the size of its café business, said more than a year ago that it would be looking for acquisition candidates. Its last acquisition in 2008 was of The Coffee Equipment Co., which makes the high-end Clover coffee brewing system. Evolution, started by the founder of Naked Juice, is a logical choice for the chain as it seeks to offer healthier options. Evolution, which makes fresh fruit and vegetable juices, has products that are sold at Whole Foods, Safeway, Costco and other retailers on the West Coast. Starbucks did not disclose how many of stores the new chain carrying Evolution products will have or where the locations would be. But the company said the chain will launch on the West Coast and be roughly the size of a traditional Starbucks café. Starbucks also plans to upgrade some of its existing stores to make room for the Evolution products and distribute Evolution’s products to other retailers. Schultz said the company will launch a “full court press” to build the Evolution brand in the coming year, including more details on its new stores. Schultz also dismissed analyst concerns that it might follow in the footsteps of the Jamba Juice chain, which has struggled with soft sales as consumers have cut back on extras like blended fruit drinks. He said Starbucks will be creating an entirely different type of store. “We understand the beverage business better than anyone else,” Schultz told investors Thursday. “We are replicating the understanding we have about beverage capability and adding the theater and romance (of our coffee stores).” – Source: The Associated Press/The Washington Post.

China’s Ministry of Commerce Approves Yum! Brands Proposal to Acquire China’s Little Sheep Restaurants. Co-Founders Mr. Zhang Gang and Mr. Chen Hongkai will Retain Minority Interest and Remain as Shareholders in Little Sheep Post Transaction

Yum! Brands, Inc. announced that it has obtained written clearance from China’s Ministry of Commerce under the Anti-Monopoly Law of the People’s Republic of China to proceed with its proposal for the privatization of Little Sheep Group Ltd. by way of a scheme of arrangement. Under the proposal, Yum! will, through an indirectly wholly owned subsidiary, offer Little Sheep scheme shareholders HK \$6.50 cash per Scheme share. Little Sheep operates hot pot concept restaurants primarily in China and is headquartered in Baotou, Inner Mongolia, China. Its shares are listed on the Hong Kong Stock Exchange. Yum! currently owns approximately 27.2% of the outstanding shares of Little Sheep, whose founders, Mr. Zhang Gang, Chairman, and Mr. Chen Hongkai, Non-executive Director, will remain as shareholders in Little Sheep alongside Yum! following the implementation of the Scheme. The proposal remains subject to various conditions, including the approval of Little Sheep shareholders. If the conditions are fulfilled and the Scheme is implemented, Yum! will operate and manage the business, and will own approximately 93.2% of the issued share capital of the Company, with the remaining approximately 6.8% held by the participating founders. “We are pleased we have received approval from the Ministry of Commerce to proceed with our proposed privatization of Little Sheep restaurants. This is another important step in executing our strategy of being *Rooted in China, Part of China*,” said Jing-Shyh Sam Su, Chairman and CEO of Yum! Restaurants China, Vice-Chairman of Yum! Brands, Inc. “We look forward to completing this transaction and are confident we can strengthen the Little Sheep brand and satisfy consumer demand for the hot pot concept.” Since entering the China market in 1987, Yum! has shown great commitment to China and to servicing their Chinese customers. China has become Yum!’s number one market in terms of restaurant development. Yum! expects to use its experience in China restaurant operations to further develop the Little Sheep brand to become an even stronger leader in the hot pot business. The Scheme document will be issued in due course, and will include recommendation from Independent Board Committee and its independent financial advisor. A Special General Meeting of shareholders will be convened at a time to be announced for scheme shareholders to vote on the transaction. – Source: Yum! Brands and Yum! China.

Bank of America to Sell Biggest U.S. Pizza Hut Franchisee to Olympus

Bank of America Corp. has agreed to sell the biggest U.S. Pizza Hut franchisee to a company formed by Olympus Partners as Chief Executive Officer Brian T Moynihan narrows the focus of the lender. The debt of Charlotte, North

Carolina-based Bank of America's NPC International Inc. will be repaid by the purchaser when the deal is completed, which is expected by Dec. 28, according to a filing today from NPC. Moynihan is concentrating on retail and commercial banking while scaling back assets acquired under his predecessor, Kenneth D. Lewis. The bank inherited NPC in its 2009 takeover of Merrill Lynch & Co., which bought the pizza purveyor in May 2006 for \$615 million, according to a filing. Moynihan, 52, is divesting private-equity holdings that will require a greater cushion under new international rules on capital. "These deals are getting Bank of America to a place where it's a much simpler organization focused on the U.S. banking consumer," said Jefferson Harralson, an analyst at KBW Inc. with a "market perform" rating on the lender. "A Pizza Hut investment very clearly doesn't fit in with where Brian is taking the business." NPC was founded in 1962 and operates more than 1,100 eateries as of September. The Overland Park, Kansas-based business accounts for about one-fifth of U.S. Pizza Hut restaurants and its locations are spread across 28 states, mostly in the Midwest and South, with about 26,000 employees. The bank was in talks to sell the franchisee for more than \$800 million, two people with knowledge of the discussions said in September. Jerry Dubrowski, a spokesman for Bank of America, declined to comment on the transaction. NPC had more than \$370 million in long-term debt as of Sept. 27, the company said today in its quarterly filing. Net income in the 13 weeks ended Sept. 27 fell less than 1 percent from a year earlier to \$3.47 million as higher commodity costs weighed on margins. Comparable store sales gained 0.4 percent. Bank of America has accelerated asset sales amid concern that the lender, which has lost about half its market value this year, will be overwhelmed by losses tied to soured mortgages. While Moynihan has said repeatedly that the bank will reach capital targets by selling assets deemed less important to clients, rather than selling stock, the bank said last week it may issue 400 million shares as it retires preferred securities. – Source: Bloomberg.net

Landry's to Buy McCormick & Schmick's for \$131.6 Million

Landry's Inc., the owner of the Rainforest Cafe and Bubba Gump Shrimp Co. chains, agreed to buy McCormick & Schmick's Seafood Restaurants Inc. for about \$131.6 million to add to its stable of brands. The cash acquisition at \$8.75 a share, 29 percent higher than yesterday's closing price, is expected to be completed in late December or early January, the companies said today in statements. The deal will be funded with cash and debt financing that closely held Landry's has arranged, the companies said. Landry's Chief Executive Officer Tilman J. Fertitta is making a second run at McCormick & Schmick's after terminating a \$9.25-a-share offer in July. Fertitta owned about 10.1 percent of the chain and was the largest shareholder as of July 14, according to data compiled by Bloomberg. McCormick & Schmick's has "great locations across America," Fertitta, 54, said in a telephone interview. "We can go in and update them and make them feel a little more like today, and not yesterday." McCormick & Schmick's CEO Bill Freeman announced a plan earlier this year to remodel restaurants and tailor the brand to local tastes amid revenue declines in 11 of the last 12 quarters. The shares rose 27 percent to \$8.63 at the close in New York, the biggest gain in more than seven months. The Portland, Oregon-based company's shares had fallen 26 percent this year before today. Landry's offer values McCormick & Schmick's at 8.04 times earnings before interest, taxes, depreciation and amortization. That's less than the 8.28 times median multiple for 60 pending or completed U.S. restaurant takeovers announced in the past five years, according to data compiled by Bloomberg. Fertitta owned 5 percent of Morton's Restaurant Group Inc., owner of the namesake steakhouses, as of Dec. 31, Bloomberg data show. He also bought the Trump Marina Hotel and Casino in Atlantic City earlier this year to add to Houston-based Landry's Golden Nugget brand resorts. McCormick & Schmick's revenue fell 4.2 percent to \$81.4 million in the quarter ended Sept. 28 as comparable-restaurant sales declined 1 percent. The company had a net loss of \$2.51 million, or 17 cents a share, in the third quarter, compared with profit of \$1.04 million, or 7 cents, last year. The dining chain withdrew its previous full-year profit and sales forecasts yesterday when it reported earnings. – Source: Bloomberg News.

Papa Murphy's Names Calwell Next CEO

Papa Murphy's International announced that John Barr is stepping down as CEO at the end of the year and will be replaced by current President Ken Calwell. Barr, who has served as the Vancouver, Wash.-based take-and-bake pizza chain's top executive for seven years, will remain as chairman. His tenure is marked by an increase of around 500 stores nationwide to 1,300 and a year-over-year sales growth of more than 80 percent. Calwell only joined the company in June from Wendy's International, where he was the hamburger chain's chief marketing officer and executive vice president of research and development. At Wendy's, he's credited with ushering in a new growth

strategy and rolling out several key new products, including the chain's natural-cut sea salt fries, Dave's Hot N' Juicy Hamburger line and the Fresh Premium Salad line. Before Wendy's, he was chief marketing officer and executive vice president of product development at Domino's Pizza ahead of its successful 2004 initial public offering. He has also held executive roles at Frito Lay, Pizza Hut, and the Pillsbury Company. "Under Ken's leadership Papa Murphy's will continue on its successful growth path," Barr said in a news release. "I am confident in his ability to build on our momentum and sustain our strong consumer rankings. I look forward to focusing my chairman's duties on guiding the brand's strategic growth." – Source: Papa Murphy's International.



Krispy Kreme Expanding in the Philippines

Krispy Kreme Doughnut Corp. has signed a new development agreement with its franchisee in the Philippines, The Real American Doughnut Company, Inc., under which the franchisee has agreed to open an additional 23 locations in the country over the next five years. The Real American Doughnut Co. currently operates 26 donut shops across the Philippines. The announcement comes after Krispy Kreme on Oct. 17 said it is expanding in the United Kingdom with the planned opening of 35 additional locations over the next six years, and three months after the company announced plans to add 73 locations in Japan over the next five years. "We are excited about the continued growth of the Krispy Kreme brand in the Philippines with The Real American Doughnut Co., a two-time winner of the Krispy Kreme International Franchisee of the Year award," said Jeff Welch, Krispy Kreme president, international. "They are leaders at providing outstanding customer service and delivering the unique Krispy Kreme experience to our fans in the Philippines." Krispy Kreme donuts are available in more than 660 stores in 21 countries, including Australia, Bahrain, Canada, China, Dominican Republic, Indonesia, Japan, Kuwait, Lebanon, Malaysia, Mexico, the Philippines, Puerto Rico, the Republic of Korea, Qatar, the Kingdom of Saudi Arabia, Thailand, Turkey, the United Arab Emirates, the United Kingdom and the United States. – Source: FoodBusinessNews.net.

U.S. Restaurant Industry Shows Growth for First Time in Three Months

The U.S. restaurant industry last month expanded for the first time since June as sales and store traffic improved and businesses hired more workers, according to a trade association survey. Based on September survey results, the National Restaurant Association's Performance Index rose to 100.1 last month from a 13-month low of 99.4 in August, the Washington, D.C.-based group said recently. The increase was "fueled by improvements in the same-store sales and customer traffic indicators," Hudson Riehle, senior vice president of research for the association, said in the statement. "Among the forward-looking indicators, restaurant operators are more optimistic about sales growth in the months ahead, while their outlook for the overall economy remains cloudy," Riehle said. The performance index is based on a survey of restaurant operators and reflects both current conditions and expectations for the industry for the next six months. A reading below 100 indicates contraction, while a number above 100 indicates expansion. September survey results suggests people are eating out more as the economy slowly improves, an encouraging development for fruit and vegetable growers and other food producers. U.S. restaurants posted a record sales month in September and added 12,000 jobs, Riehle said in a video interview posted on the association's website. According to the restaurant association's survey, 50 percent of restaurant operators reported same-store sales increases during September compared with the same month in 2010, up from 45 percent who reported increases in August. About 34 percent reported same-store sales declines during September, down from 37 percent reporting declines in August. Still, high unemployment and rising food costs have weighed on the restaurants much of the year, and recent financial results underscored the industry's struggles. That's worrisome for beef, pork and

dairy producers, who rely on restaurants, hotels and other foodservice operations for a large portion of demand. Early this month, Yum! Brands Inc., which operates KFC, Pizza Hut and Taco Bell chains, said same-store sales fell 3 percent during the three months ending Sept. 3 compared with the same period a year earlier. At Bob Evans Farms, Inc., same-store sales fell 1.8 percent in the company's previously-reported quarter. Morton's Restaurant Group, Inc., said comparable revenue increased 5.1 percent in its most-recent quarter, though the steakhouse chain still reported a net loss of \$2.3 million as costs rose. Foodservice accounts for about two-fifths of U.S. cheese consumption, according to industry estimates. Almost 8 billion pounds of pork was sold through restaurants and other foodservice channels last year, accounting for about 41 percent of total U.S. pork consumption, according to the National Pork Board. – Source: Vance Publishing.

Bobby Flay Draws Crowd to New Burger Joint

Anxious diners began lining up outside Bobby's Burger Palace more than 90 minutes before its grand opening. Peering through the large windows, some of the more than 200 hungry fans caught early glimpses of celebrity chef Bobby Flay, the restaurant's owner, as he oversaw last-minute preparations. Ordinarily seen on television's Food Network and the Cooking Channel, the New York native was watched from afar as he spoke with his staff and local journalists. "I've always been a cheeseburger guy," Flay said. "I think of a burger as the quintessential sandwich." Bobby's Burger Palace is the newest restaurant along Bistro Row at the Cherry Hill Mall. It is the eighth in a chain started by Flay three years ago, and the third in New Jersey. The others in the state are in Paramus, Bergen County, and Eatontown, Monmouth County. The popular cookbook author also operates Bobby Flay Steak in Atlantic City, and Mesa Grille and Bar Americain establishments in various locations. At noon Tuesday, mall patrons quickly began filling the restaurant's communal tables and long, serpentine counter. Flay said the unusual seating arrangements were designed to promote interaction among diners. The restaurant's publicists described the establishment as "fast casual." Patrons place their orders with a cashier, receive a number and choose their seats. A server delivers the made-to-order meals and beverages. Meanwhile, staff members are "constantly milling around" to assist diners, Flay said. Tipping is not encouraged, but gratuities are accepted. – Source: phillyburbs.com.

Allen Bernstein, Dealmaker Who Built Morton's Steakhouse Chain, Dies at 65

Allen J. Bernstein, who showed that high-end restaurants can succeed as chains by expanding Morton's of Chicago from nine steakhouses in 1989 to 69 worldwide in 2006, has died. He was 65. He died on Nov. 1 at North Shore University Hospital in Manhasset, New York, after an extended illness. Once described by Nation's Restaurant News as "a prolific deal-maker," Bernstein wrote his college thesis on restaurant branding and then made a career of it. Bernstein, as chairman and chief executive officer, positioned Morton's on the leading edge of a wave of upscale, expense-account steakhouses that opened new outlets around the U.S., including competitors Ruth's Chris Steak House and Smith & Wollensky. "We created this segment," Bernstein told the Orange County Register in 2005, when Morton's was expanding into lunch service and happy hours. "Flattery is very nice -- all these other people have come after us. We said, let's see what they are doing and see if we can adapt some things." John Castle, chairman and CEO of Castle Harlan, said in an interview that Morton's quieted doubts about the viability of the "high-end chain." "If you go to a Morton's restaurant anywhere in the world, the menu is essentially the same, the staffing is the same, the restaurants look basically the same," he said. "The benefit of that is that you know what you're getting." In partnership with Castle Harlan, Bernstein created Quantum Restaurant Group Inc. in 1988 and made Atlanta-based Peasant Restaurants Inc. its first purchase. A 1988 story in Inc. magazine, noting Bernstein's passion for chain restaurants, described him as "full of smiles and enthusiasm, with a waistline that testifies to frequent product sampling." Survivors include his wife, Lori Waltzer Bernstein, and two children. – Source: Bloomberg.

Granite City Food & Brewery Agrees to Acquire Assets of Seven Cadillac Ranch Restaurants for \$9 Million

Granite City Food & Brewery Ltd. announced that it has entered into a master asset purchase agreement to buy the net assets of seven restaurants currently operated under the name "Cadillac Ranch All American Bar & Grill" (Cadillac Ranch). Pursuant to the agreement, Granite City has closed on the purchase of the assets of one of the restaurants, CR Minneapolis, LLC ("CRM"), which operates a Cadillac Ranch All American Restaurant Bar & Grill

in the Mall of America in Bloomington, Minnesota. The purchase price for these assets was \$1.4 million, subject to adjustment, including a reduction if the purchase of the remaining assets is not consummated through no fault of Granite City. Granite City has assumed CRM's lease at the Mall of America for the restaurant with certain modifications. The restaurants subject to the purchase agreement are owned by Clint R. Field or Eric Schilder, managed by Restaurant Entertainment Group and located in Pittsburgh, Pennsylvania; Oxon Hill, Maryland; Indianapolis, Indiana (one restaurant in operation and another under construction); Hallandale Beach, Florida; Bloomington, Minnesota; and Miami, Florida. Granite City also has an option to buy the assets of an eighth restaurant in Annapolis, Maryland for nominal consideration and assumption of the related lease. The aggregate purchase price for the assets is \$9 million, subject to adjustment including an increase of \$200,000 for post-acquisition consulting services. Additional debt or equity financing will be required to consummate the balance of the asset purchases. "We are pleased to have acquired the Mall of America location at this time and look forward to conducting the due diligence necessary to close on the balance of the assets before year end," said Jim Gilbertson, CFO. "As we have discussed from the day of our initial investment in Granite City Food & Brewery, one of our goals has been to use the Granite City engine as a platform to grow into a broader and more dynamic restaurant company," said Rob Doran, CEO. "Cadillac Ranch's distinctive characteristics and unique melding of entertainment and casual dining excite us." "There are some great synergies related to Granite City's food and beer that we may incorporate into Cadillac Ranch restaurants," said Dean Oakey, CCO. "Additionally, we aspire to provide unprecedented support to the store level management teams at Cadillac Ranch to build on their already impressive performance." – Source: Granite City Food & Brewery.



InterContinental Hotels to Overhaul Crowne Plaza Brand

Fresh from completing a three-year, \$1 billion overhaul of its flagship Holiday Inn hotel chain, InterContinental Hotels Group PLC said it plans to shake up its laggard Crowne Plaza Hotels & Resorts upscale brand. IHG said at its annual conference here this week that it has started a five-year program aimed at bolstering the quality of its Crowne Plaza hotels, with a specific customer base in mind. Nearly 400 hotels around the world carry IHG's Crowne Plaza brand, with 178 of those in North America. Crowne Plaza generates \$3.5 billion in annual gross revenue for IHG. As a manager and franchisor of hotels, IHG owns only a handful of the hotels that bear its seven brands. Thus, the cost and onus of its efforts to revamp its brands fall on the owners of its 4,462 hotels across the globe. At Crowne Plaza, IHG faces a deep-seated issue. Holiday Inn started the brand in 1983 as a means to provide its developers an option to build upscale hotels. Twenty-eight years later, Crowne Plaza is saddled with several older hotels in markets that have since deteriorated. In the first phase of IHG's "repositioning" of Crowne Plaza, many of those laggard hotels likely will lose the brand if their owners refuse to bring the properties up to certain standards. Similarly, IHG's overhaul of Holiday Inn, which concluded last year, resulted in roughly 700 hotels losing their Holiday Inn affiliation. "We, as a company, are prepared to lose the hotels that cannot or will not take this journey with us," IHG Chief Executive Officer Richard Solomons said of the Crowne Plaza revamp, speaking at the conference. "And we are prepared to take the financial hit from losing those hotels, just as we did with Holiday Inn." In the case of Holiday Inn, IHG's enforcement of stricter quality standards for its hotels resulted in more hotels adding the brand, most of them newly built, than those that lost it. IHG has said the overhaul has allowed Holiday Inn owners to charge higher rates. Mark Carrier, senior vice president of B.F. Saul Co., a developer that owns three Crowne Plasas in the U.S., said culling the Crowne Plaza portfolio likely will require jettisoning good hotels in otherwise struggling markets. Such change is needed to bolster the brand's overall perception among hotel developers and guests, he said. "They have some situations where the revenue generated in the hotel's market is not enough to support a full-service hotel," Mr. Carrier said in an interview at the conference. "It is just a fundamental refocusing of the portfolio around the right locations, the right owners and the right hotels." IHG hasn't decided yet the extent of renovations and decor changes it will require as part of the repositioning, which it anticipates will last

through 2015. The company still is studying and testing potential changes to Crowne Plaza's bedding, food service, restroom fixtures and the like, said Janis Cannon, IHG's vice president of upscale brands. – Source: online.wsj.com.

la Madeleine Gets Makeover

On the heels of its recent franchise offering announcement, la Madeleine Country French Café has opened the first in a series of bakery-café with a new, refined design. Just in time for the start of the holiday shopping season, the new bakery-café, located inside NorthPark Center in Dallas, will serve as the model for future franchised and company-owned mall locations. "The bright, open style of our new design showcases our authentic, signature cuisine in new ways that enhance the dining experience," said Susan Dederen, senior director of culinary operations for la Madeleine. The new location replaces the original NorthPark Center café location, which opened in 1989. At nearly triple the size of the first location, the new café at 640 NorthPark Center boasts 2,000 square feet of improved design, the culmination of three years of market refinement and testing in three remodeled cafés and a warehouse in the Dallas area over the last year. As the first of three new designs to be rolled out during the next 18 months, the NorthPark Center café features a mall location layout that enhances not only operational efficiencies but also the guest experience by showcasing its artisan style, eliminating cafeteria-style service and providing table delivery of orders and expanded seating in the corridor, Dederen said. The new designs, which also includes sidewalk café and airport layouts, reflects the company's response to guest feedback, improving the ease, flow and efficiency of the ordering process and point of sale transaction for the dining room and bakery. Additional bakery-café featuring the new designs are scheduled to open in 2012 in Tulsa, Okla., Silver Spring, Md., the Tyson Corner Mall in Virginia, and at Dallas-Fort Worth International Airport. "It's exciting to see our vision and years of planning realized. We're evolving the look and feel of the café, the guest experience and the design. We're thrilled to have this first new design serve our loyal fans and guests in the NorthPark Center community," said Phil Costner, la Madeleine president and chief operating officer. – Source: La Madeleine Café.

No Bread, Pasta or Sugar: Stone Age-Style Restaurant Serves Only Food that Was Available to Our Caveman Ancestors

At first glance, Berlin's Sauvage restaurant looks much like many of the German capital's other trendy eateries. But take a closer look at the chalkboard out front and you'll discover they are embarking on a culinary shake-up that takes its inspiration from the Stone Age. Proudly announcing a 'Real Food Revolution - Paleolithic cuisine!', there is no cheese, bread or sugar available, only fare accessible to our hunter-gatherer ancestors more than two million years ago. The restaurant menu shows a stereotypical image of modern humanity's forbearer, the jutting profile of a hirsute caveman. Inside, diners eat at candle-lit tables with a contemporary cave painting hanging in the background, according to Spiegel Online. Sauvage, which is also the French word for 'savage' or 'wild,' is part of the Paleolithic diet movement and claims to be first of its kind in Europe. That means serving only organic, unprocessed fruit and vegetables, meat, fish, eggs, nuts, seeds, and herbs. The truly obsessed build an entire lifestyle around the concept, mimicking caveman-era exercise. This can involve lifting boulders and running barefoot, with some even emulating the blood loss they believe Stone Age hunters might have experienced in pursuit of their dinner by donating blood every few months. But guests at Sauvage can try 'Paleo' without feeling obligated to take on a strictly Stone Age lifestyle. Sauvage's Boris Leite-Poço told Spiegel Online of the growing interest in caveman cooking. He said: 'Many people think the Paleolithic diet is just some hipster trend, but it's a worldwide phenomenon, with an online community that spans the globe. 'The trend is probably strongest in the United States, where people who have had enough of the fast food way of life and generations of illness have taken it up.' The menu includes salads with olives, capers and pine nuts; gluten-free bread with nut-based butter or olive tapenades; smoked salmon with herb dressing; and other various meat and fish dishes. Gluten- and sugar-free cakes, like a spicy pumpkin pie, are available for those Stone Age diners who don't want to skip dessert. Earlier this year, thousands of people rated the Paleo diet the best way to lose weight, despite a report claiming it was ineffective. – Source: The Daily Mail Reporter, UK.



International Growth Helps Spur Starbucks Earnings

Higher sales and international growth helped lead to a 32% increase in earnings for Starbucks Corp. during fiscal year 2011. For the year ended Oct. 2, the company had earnings of 1,245.7 million, equal to \$1.62 per share on the common stock, which compared with earnings of \$945.6 million, or \$1.24 per share, during the previous year. Revenue for the year was \$11,700.4 million, up 9% from \$10,707.4 million. “Fiscal 2011 was an extraordinary year in which Starbucks reported record earnings every quarter and for the full year and very strong comp store sales growth all around the world,” said Howard Schultz, chairman, president and chief executive officer. “Starbucks today is executing in all markets and across all channels, and we have never been better positioned to go hard and go fast after the tremendous opportunity that lies ahead in 2012 and beyond.” For the fourth quarter ended Oct. 2 the company had earnings of \$358.5 million, or 47c per share, up 29% from \$278.9 million, or 37c per share, during the same quarter of the previous year. Revenue for the quarter was \$3,031.9 million, up 7% from \$2,838 million. “The record results we reported today for the fourth quarter and the full fiscal year are a testament to the overall health and strength of our global business,” said Troy Alstead, chief financial officer. “The momentum we have built throughout the year continued in the fourth quarter with the strength of same-store sales growth demonstrating that our product innovation and overall store experience are resonating extremely well with our customers. As a result of the strong finish to fiscal 2011, Starbucks entered the new fiscal year well-positioned to continue pursuing significant profitable growth opportunities.” – Source: FoodBusinessNews.net

Arby’s Introduces Board of Directors During National Franchise Conference. Restaurant Industry Leader Jon Luther Named Chairman

Hala Moddemog, President of Arby’s Restaurant Group, Inc., introduced members of the new ARG Holding Corporation Board of Directors to the Arby’s® franchise community during its National Franchise Conference in Atlanta. The new board consists of five members and will be led by Chairman Jon Luther. “Jon’s experience as a former owner, franchisor and operator will help strengthen the Arby’s brand as we continue to build on the sales and transaction improvement that we’ve seen in 2011,” said Moddemog. Luther, a veteran of the restaurant industry, has served as the non-executive Chairman of the board of Dunkin’ Brands since July 2010. He is widely credited for leading the transformation of Dunkin’ Brands while Chief Executive Officer from January 2003 - January 2009. The additional title of Chairman was added in 2006. Luther served as executive chairman until July 2010. “The Arby’s brand is filled with potential and opportunity,” said Luther. Joining Luther on the board is Sidney (Sid) J. Feltenstein, former CEO of Yorkshire Global Restaurants. Feltenstein has had a successful career as a corporate executive and entrepreneur. In 1995, he led a private equity investment group that acquired A&W Restaurants. Under his leadership, the chain grew from 450 to almost 1,000 units in just five years. In 1999, Feltenstein led A&W’s purchase of Long John Silver’s. Under his leadership, A&W/Long John Silver’s sales grew five times and its operating profits grew by 40 times. The company was sold to YUM! Brands in 2002 in a highly successful transaction. The ARG Holding Corporation Board of Directors consists of: Neal Aronson, Founder and Managing Partner, Roark Capital Group; Sid Feltenstein, Former CEO, Yorkshire Global Restaurants; Jon Luther, Non-Executive Chairman of the Board of Directors, Dunkin’ Brands; Erik Morris, Managing Director, Roark Capital Group, and Steve Romaniello, Managing Director, Roark Capital Group. – Source: **Arby’s Restaurant Group, Inc.**



Mr. Goodcents Rebrands. Former CEO of Applebee’s, David Goebel, is Spearheading the Changes at the Brand

Formality is being phased out at a Kansas City, Missouri–based quick-serve chain. Customers will no longer have to use a courtesy title when addressing Mr. Goodcents. The 96-unit sandwich concept, with locations in nine states, is undergoing a rebranding, which includes changing its name from Mr. Goodcents Subs and Pasta to Goodcents Deli Fresh Subs. CEO David Goebel, the former CEO of Applebee’s who became a Mr. Goodcents franchisee before taking over the company last year, is spearheading the changes. “Consumers refer to us as Goodcents already,” Goebel says. “I used two of my restaurants as guinea pigs for the name and signage changes. The fact that previous signage highlighted ‘Goodcents’ in the name and that remains at the core of the signage reduces risk of alienating anyone.” It’s not just the name that’s getting an overhaul at Goodcents; much of the company’s branding and décor is also getting a facelift. Changes include interior remodeling, the inclusion of a drive thru where feasible, and even new menu items. “As far as the interior design, we were a little dated,” Goebel says. “We’ve gone to a rich tile floor in traffic areas and carpet under the dining area, which warms up the dining room. The color scheme is kind of earthy and we’ve added a lot of wall art.” The menu changes include adding wraps and salads. These additions are being tested at a new Goodcents location near the University of Kansas Medical Center in Kansas City where Goebel says the new items are “doing very well.” “They fit with the freshness of the overall menu,” he says. “It’s a nice line extension.” Goebel studied the feasibility of branding changes from a special perspective. After leaving Applebee’s in 2008, he became a Mr. Goodcents franchisee, operating seven of the sandwich shops he’s been enamored with since the ’90s. In 2010 he became CEO of Mr. Goodcents. David Kincheloe, president of Denver-based National Restaurant Consultants, says adding wraps to the menu goes hand in hand with Goodcent’s focus on freshness, and that the wraps even work better in the concept’s new drive thru. “People perceive wraps as healthier, and they are a lot easier to eat in the car than a sub sandwich,” he says. Goebel says his being both franchisee and franchisor gives his ideas credibility with other franchisees. “The fact that previous signage highlighted ‘Goodcents’ in the name and that remains at the core of the signage reduces risk of alienating anyone.” “They are just refreshing things,” he says. “Restaurants should take a hard look at everything every five to seven years anyway. A good franchisee is planning for that all along.” Kincheloe says Goebel will get a lot of cooperation from franchisees as the changes are rolled out. “Since he’s a franchisee also, he’s probably experienced these same needs and wants on that side,” Kincheloe says. “A lot of franchisors don’t talk to franchisees. There are other chains out there that have failed miserably because they haven’t listened to franchisees. – Source: QSR.com.

Firehouse Subs® Names Burchianti Chief Financial Officer

Firehouse Subs® announces the appointment of Vincent Burchianti from vice president of finance and technology to chief financial officer of Firehouse Subs. With more than 22 years of restaurant finance experience, Burchianti oversees finance, technology and human resources, and is charged with the company’s long-term business plans, managing investor and banking relationships and protecting the company’s core financial model. Accomplishments during his 10-year tenure include developing the largest department at Firehouse Subs headquarters in order to administer the accounting and auditing functions for all divisions of the rapidly growing fast casual chain, including 29 company-owned and 450 franchisee-owned restaurants. He’s been instrumental in the opening of hundreds of Firehouse Subs restaurants, serving as chief lending officer for the franchise lending division known as Capital 94, LLC. Burchianti also helps Firehouse Subs franchisees maximize their return on investment by coaching and mentoring them; offering best practices for personal and professional wealth management. “Vince understands our industry, and more importantly, our brand, and since day one has embraced and held true the deep rooted core

values that have made Firehouse Subs successful over the past 17 years,” said Robin Sorensen, co-founder of Firehouse Subs. “My brother and I are proud to call him family, and now CFO, and appreciate what he’s done for our company.” – Source: Firehouse Subs.

KFC Increases Prices in China Amid Rising Costs in the Country

KFC, which operates 3,200 restaurants in China, on Saturday raised prices for chicken-oriented side dishes and drinks by an average of 0.5 to 1.0 yuan (eight to 16 U.S. cents), the state-run Shanghai Daily reported recently.

KFC, whose China business has become a main source of earnings at parent Yum, in September increased what it charges for burgers, and is varying its prices among different locations in China. The latter move would help it “generate extra revenue as consumers would not be sensitive to minor price increases,” the paper said.

Rising costs have been a big problem for companies in China this year. The country’s consumer price index rose by 6.1% in September. Among U.S. companies, McDonald’s and Starbucks also run large chains in the country. – Source: China Daily (Beijing).

Officials Bust Restaurants for Buying Illegal Fish

Some central Florida restaurant owners are in hot water for purchasing black market fish. The Florida Fish and Wildlife Conservation Commission said Thursday 17 restaurant owners and workers face charges or citations for purchasing the illegal fish. Wildlife officers went to the restaurants in Brevard and Indian River counties as part of an undercover sting. The undercover agents, posing as fish salespeople, told the restaurant owners and workers that they didn't have the proper licenses to sell the fish. Out of the 44 restaurants tested in the sting, 11 restaurants purchased the fish anyway. The charges are second-degree misdemeanors. The maximum sentence that can be given for each charge is 60 days in jail and a \$500 fine. – Source: The Associated Press/The Miami Herald.

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