



November 2, 2011

Dunkin' Donuts Makes Big Push Into DC Market

Dunkin' Donuts has 86 new restaurants signed for development in the Washington D.C. market by 2020. Of those, 15 agreements were signed over the past year that will deliver 64 new restaurants. Twenty-two were previously contracted. Grant Benson, CFE, vice president of franchising and market planning for parent company Dunkin' Brands Inc., said Washington D.C. has been a priority growth market for the chain. The 15 agreements have essentially sold out development opportunities in the metropolitan area. "These deals represent a 50-percent increase in rooftops from the 125 restaurants in the market right now, and we are thrilled to be expanding our presence in Washington D.C. with a wonderful and talented group of franchisees," he said.

In this specific market, Hank Huth, who has been a Dunkin' franchisee since 2008, signed the largest agreement for a total of 38 units which includes the acquisition of 16 existing restaurants, as well as purchasing a central manufacturing location in Washington D.C. Huth's restaurants will be developed from Pennsylvania Avenue west to Gainesville and half of his commitments are "inside the beltway." "We are excited to bring more Dunkin' Donuts' to the Washington D.C. area and play an important role in the daily lives of people who live, work and visit here," said Huth, CEO, Quality Brand Capital LLC. – Source: QSR.com.

China Extends Review of Yum! Brands' Bid for Little Sheep

China's commerce ministry has added a 60-day extension to its anti-trust review of Yum! Brands Inc.'s bid to buy out Little Sheep Group Ltd. Yum!'s application for the hot-pot restaurant chain was originally submitted in late June. The review will now expire on Dec. 24. In approving such takeovers, the Chinese regulating body usually has 30 days to make a decision, according to Little Sheep. If the regulator believes an anti-trust filing warrants further review, the deadline could be extended another 90 days. The regulator could then further extend the review by 60 more days, if necessary. The review process now stands at this stage, the company said. It is unknown at this time if the review process could be extended even further. Louisville, Ky.-based Yum! Brands, parent company of Taco Bell, KFC and Pizza Hut, first announced plans to buy Little Sheep in April and take the Hong Kong-listed company private. The deal valued the Chinese firm at \$860 million-plus. Little Sheep had 458 company-owned and franchised restaurants across China as of the end of 2010 and another 22 overseas. It specializes in Mongolian hot pot, in which customers dip meat and vegetables into communal broth. Yum bought a 20 percent stake in Little Sheep in 2009 and increased its stake to 27.2 percent last year. – Source: PizzaMarketPlace.com.

El Pollo Loco, Inc. Names Ed Valle Chief Marketing Officer

El Poll Loco Inc. announced the appointment of Ed Valle as chief marketing officer. Valle brings extensive experience from the restaurant industry, consumer packaged goods and brand marketing at both the national and global level. "I am very excited to be joining El Pollo Loco and look forward to building on the brand's strong heritage and unique differentiation in the marketplace," said Ed Valle, newly appointed chief marketing officer for El Pollo Loco, Inc. Valle most recently served as chief marketing strategist for Choice Hotels International, Inc. where he led the company's brand strategy, advertising, media, promotion and loyalty initiatives. He also served as

vice president of marketing at the Panera Bread Company where he launched the company's first TV advertising and media campaigns. Additionally, he has held marketing leadership positions at Dunkin Donuts, Subway Restaurants and Diageo. "I am eager to welcome Ed Valle to our team as chief marketing officer," said Steve Sather, president and CEO of El Pollo Loco. "We are thrilled to add Ed's extensive experience managing restaurant brands and his expertise in traditional, digital and social media to El Pollo Loco's successful marketing initiatives." Valle holds a bachelor's degree in operations and logistics management from Michigan State University and a master's of business administration from Fordham University. Valle will relocate to Southern California from New Jersey and is based at the El Pollo Loco headquarters in Costa Mesa, California. – Source: El Pollo Loco.

A \$13 Billion Fast Food Revolution Is Taking Over India

At the DLF Place mall in the upscale South Delhi neighborhood of Saket, shoppers and employees sit more or less side-by-side in a new "desi" food court, digging into traditional Indian dishes ranging from biryani to dosas to seekh kebabs. There's something for everybody — at many tables three generations are sitting down together. But that's not the reason these traditional upstarts have succeeded in storming what was once the bastion of western brands like McDonald's and Pizza Hut. Some of the city's most famous restaurants are represented here — some of them a century old — transformed by smart uniforms, cheery signage and shining show kitchens to look every bit as clean, efficient and modern as their multinational competitors. Welcome to the future of Indian fast food. "Quick Service Restaurants are quite successful in India," said Arun Chanda, founder of New Delhi-based Hospitality Consultancy. "Over the last five years, a lot of Indian companies have started getting into the franchising model and expanding into different cities." Credit marketers at DLF for inducing popular brands like Karim's, Nizam's, Moti Mahal, Nathu's Sweets, Rajdhani and Sagar Ratna — which had already launched multiple sit-down restaurants around New Delhi — to experiment with nascent fast-food franchises. But the revolution is already underway across the country, as global chains seek to woo a broader cross-section of customers by incorporating traditional spices and ingredients into their menus. And local upstarts have begun to attract deep-pocketed financiers in the bid to build nationwide fast-food chains of their own. "Even people who are into the five-star hotel business are thinking of getting into the QSR concept," said Chanda. According to Euromonitor and market-research firm RNCOS, India's \$13 billion fast-food market is already growing 25-30 percent a year, and global players like Domino's, McDonald's and Yum Brands (KFC and Pizza Hut) are pushing into second- and third-tier cities. Hardcastle Restaurants, development licensee for McDonald's in India, is planning a massive expansion, doubling its India stores over the next three years with an investment of \$100 million. Meanwhile, Yum Brands plans to open 1,000 outlets — half of them KFC restaurants — on its way to \$1 billion in revenue from India over the next four years. Other multinationals like Burger King, Cinnabon, Dunkin Donuts, and Starbucks are not far behind — with stores already on the ground or aggressive launch plans underway. With 60 percent of the Indian population currently under 30, it's no mystery why. Call it irrational exuberance if you want, but this summer Indian investors judged Jubilant Foodworks — which owns the franchise rights to Domino's and Dunkin Donuts in India and sold about \$150 million worth of pizzas last year — to be nearly as valuable as the U.S.-based parent company. "We've now been in India for over 15 years, and we've actually seen the change right before our eyes," said Amit Jatia, vice chairman of McDonald's India. "The market is changing very significantly. People are eating out far more often than before, and I think the availability of international QSR brands has brought about that change." – Source: Business Insider.

Just-Eat Canada Acquires GrubCanada

Toronto-based Just-Eat Canada Inc. Canada's largest and fastest growing online food ordering service, has acquired the business of GrubCanada Inc. Just-Eat Canada is part of Just-Eat Group, the global leader in online food ordering. With this acquisition, Just-Eat is able to offer online consumers access to over 1,000 delivery restaurants across the country, giving busy Canadians more options than ever for quick, timesaving delivery and takeaway meals. GrubCanada.com, one of Canada's original online food ordering services, was launched in 2008 by young entrepreneurs Howard Migdal and Ross Lipson. The company was recently highlighted on the hit Canadian television show, CBC's *Dragon's Den* in which the pair accepted an offer of \$200,000 for 50% of the company from "dragon" Brett Wilson (the deal was never completed). "Our acquisition of GrubCanada.com is an exciting step in strengthening our leadership as Canada's best, most convenient and reliable online service for consumers to order food over the Internet and by mobile phone," said David Power, Managing Director of Just-Eat.ca. "This deal adds to an exciting month for Just-Eat.ca, having just launched in Quebec with a bilingual website." Adrian Blair,

Chief Operating Officer at Just-Eat Group, said, “This acquisition takes us to seven for the year, a clear demonstration of our growth and ambition. By buying an established company, we benefit from an already strong customer base and local knowledge, while bringing our global scale and expertise to a vast market with huge potential for growth. GrubCanada.com is exactly the sort of company we want as part of the Just-Eat Group. Its ethos, innovation and energy fit well with our own hunger for success.” The acquisition of GrubCanada.com adds over 200 new neighbourhood restaurants in Ontario and British Columbia to Just-Eat Canada and is its second acquisition in 2011. Just-Eat Canada acquired Vancouver based YummyWeb.com in April. Overall, Just-Eat Group has made seven acquisitions this year, including GrubCanada.com and Yummyweb.com, also buying companies in the UK, India, Brazil, Switzerland and Italy. – Source: Just-Eat Canada.

The Kebab Shop Announces Fall Opening of Its 3rd Location in Encinitas, California

The causal cuisine with a European influence announces the opening of the third location in Encinitas, Calif. Downtown San Diego’s favorite Euro-Turkish eatery is making its way to coastal North County with the third opening of the successful California-Mediterranean quick-service restaurant, The Kebab Shop. The causal cuisine with a European influence announces the opening of the third location in Encinitas, Calif. Owners A.J. Akbar and Tony Farmand bring the authentic and hard-to-find kebabs and shawarma to southern California with the 1,800 sq. ft. restaurant and an estimated 40-person capacity that will be open for lunch and dinner seven days a week. “North County residents have been begging for The Kebab Shop for over four years,” said Tony Farmand, a Holland native and owner of The Kebab Shop. “Our combination of only the freshest and most authentic ingredients is what locals and visitors alike love and crave.” The Kebab Shop serves an array of healthy and authentic options. Döner kebabs, originally from Turkey, are offered in spiced lamb, marinated chicken or falafel with a mix of fresh vegetables, a creamy garlic yogurt sauce and homemade spicy sauce. – Source: PR.com.

Grimaldi's Pizzeria Opens Its Eighth Texas Location

The highly anticipated Grimaldi’s Pizzeria, off the US-75 N and Park Lane, is now serving award-winning, hand-tossed, coal-fired brick oven pizzas and calzones, fresh salads and delicious desserts. This location is the eighth restaurant in Texas, for the ever-expanding brand. In the world of pizza, Grimaldi’s is an institution that has garnered more awards than any other pizzeria in the country with more celebrity sightings than most 5-star restaurants. Using only the freshest ingredients, a “secret recipe” pizza sauce, handmade mozzarella cheese and dough, Grimaldi’s serves traditional pizza (as it began in Naples, Italy) in an upscale yet casual, family oriented pizzeria. Designed and built by hand, the coal-fired oven at Grimaldi’s Pizzeria delivers a unique flavor and consistency that is just not possible from wood or gas ovens. Weighing in at 25 tons and heated by 100 pounds of coal per day, the oven heats up to 1,200 degrees. The intense heat of the oven evenly bakes the pies to create Grimaldi’s famous crispy and smoky thin crust that Zagat has voted best pizza year after year. It has been said that the secret to true New York-style pizza is the water. Grimaldi’s believes that too, going to great lengths to keep the integrity of the water used in the Brooklyn pizzeria by hiring a chemist to analyze and recreate the mineral content and exact composition of the water to ensure the dough tastes the same in Dallas. Located at 8160 Park Lane, Grimaldi’s Pizzeria is currently open for dinner and lunch. Grimaldi’s offers guests a selection of beers as well as an extensive list of wines (by the glass and bottle) to complement their freshly prepared salads, hand tossed pizzas and calzones and famous desserts. – Source: Grimaldi's Pizzeria/PR.com.

Giordano's Receives \$26 Million Offer for Pizza Restaurant Operations

Bid by company connected to Connie's Pizza chain disclosed in bankruptcy court filing seeking to conduct auction. Giordano’s has received a \$26 million offer for its restaurant operations, the Chicago-based pizza chain said in court documents filed in its bankruptcy case. Giordano's said it has entered into an agreement with Italian Food Network LLC. Sources say Italian Food Network is a holding company connected to the owners of the Connie's Pizza restaurant chain. Court documents indicate that Connie's has signed a confidentiality agreement with Giordano's. The bid was disclosed in a motion Giordano's made in bankruptcy court seeking approval to conduct an auction for the restaurant business. The offer is for Giordano's company-owned and franchised restaurants in Illinois and Florida and does not include the company's real estate. The bankruptcy trustee in charge of Giordano's business affairs said

in court documents that the company's real estate assets have attracted potential buyers who are not interested in the restaurant business. The jewel in Giordano's real estate portfolio is the company's headquarters at 740 N. Rush St. in Chicago's Gold Coast. The real estate, which includes restaurant properties and land in Illinois, Florida and Arizona, is for sale either as a portfolio or individually. The trustee, Philip Martino, an attorney at Quarles & Brady, said in court papers he is pursuing a combination of offers to achieve maximum value for creditors. Giordano's filed for protection from creditors in February, after related entities defaulted on real estate loans. Giordano's and related entities owe \$45.5 million to their main lender, Fifth Third Bank. The Apostolou family had owned the chain, known for its stuffed pizza, since 1988. When it filed for bankruptcy, Giordano's had 45 restaurants in Illinois and Florida, including 35 owned by franchisees, and the pizza operation was profitable, according to court documents. The Apostolous had to relinquish control of the restaurant business in May after they fired their bankruptcy attorney. The bankruptcy court appointed Martino as Chapter 11 trustee to oversee Giordano's. Martino has asked the bankruptcy court to consider the bid from Italian Food Network as the "stalking horse" bid, which is the starting point against which others will submit qualifying bids prior to the auction. If approved by the court, the bidding procedures would require other interested parties to submit bids by Nov. 10, court documents said. Prior to the agreement with Italian Food Network, several parties had expressed interest in Giordano's, including Bravo Restaurants Inc., which owns the Gino's East pizza chain. – Source: The Chicago Tribune.



Jon Bon Jovi's Charity Restaurant Opens in NJ

In three decades as one of the world's biggest rock stars, Jon Bon Jovi has eaten in some of the world's best restaurants, savoring the best food the planet has to offer. Yet there's no place he'd rather have dinner than The Soul Kitchen, a "pay-what-you-can" restaurant he and his wife Dorothea established in a former auto body shop near the Red Bank train station in central New Jersey. The restaurant provides gourmet-quality meals to the hungry while enabling them to volunteer on community projects in return without the stigma of visiting a soup kitchen. Paying customers are encouraged to leave whatever they want in the envelopes on each table, where the menus never list a price. The restaurant is the latest undertaking by the New Jersey rocker's Jon Bon Jovi Soul Foundation, which has built 260 homes for low-income residents in recent years. "With the economic downturn, one of the things I noticed was that disposable income was one of the first things that went," Bon Jovi told The Associated Press in an interview before the restaurant's grand opening ceremony. "Dining out, the family going out to a restaurant, mom not having to cook, dad not having to clean up - a lot of memories were made around restaurant tables. "When I learned that one in six people in this country goes to bed hungry, I thought this was the next phase of the Foundation's work," he said. It started several years ago when Dorothea Bongiovi (she uses the legal spelling of her husband's name) and Jon started helping out at a food pantry at nearby St. Anthony's Roman Catholic Church. They later moved their focus to the Lunch Break program, which feeds 80 to 120 people a day, dubbing it "The Soul Kitchen." They brought that name with them to a former auto body shop down the street from the Count Basie Theater, where Jon and his self-titled band have played many fundraising shows for local charities. It took a year and \$250,000, but the restaurant now rivals any of its competitors in trendy Red Bank, with entrees like cornmeal crusted catfish with red beans and rice, grilled chicken breast with homemade basil mayo and rice pilaf, and grilled salmon with soul seasonings, sweet potato mash and sauteed greens, many of which were grown in the herb and vegetable garden right outside the restaurant's doors. Bon Jovi, who has a home in next-door Middletown, is adamant about one thing. "This is not a soup kitchen," he emphasizes. "You can come here with the dignity of linens and silver, and you're served a healthy, nutritious meal. This is not burgers and fries. "There's no prices on our menu, so if you want to come and you want to make a difference, leave a \$20 in the envelope on the table. If you can't afford to eat, you can bus tables, you can wait tables, you can work in the kitchen as a dishwasher or sous chef," he said. "If you say to me, 'I'm not a people person,' I say, 'That's not a problem. We'll take you back to Lunch Break to

volunteer with those people. If you don't want to volunteer with that, we'll take you to the FoodBank." After volunteering at one of those places, a person will be given a certificate good for a meal at The Soul Kitchen. "If you come in and say, 'I'm hungry,' we'll feed you," Bon Jovi said. "But we're going to need you to do something. It's very important to what we're trying to achieve." That includes making people feel part of a larger community that cares about them, while still expecting them to contribute to society at large. "This is not an entitlement thing," Bon Jovi said. "This is about empowering people because you have to earn that gift certificate." He and others at the restaurant want those who can afford to dine out to patronize the restaurant as well and pay what they consider market prices, or even a bit more than that, to help sustain The Soul Kitchen as a true community resource. Bon Jovi said he is currently writing songs for his band's next album, due out in 2013, along with another typically massive Bon Jovi tour. He said many of the songs are inspired by the current economic downturn and the struggles of everyday people to make ends meet without losing hope. In the meantime, he and his wife plan to stay active in the restaurant, where he estimates he has worked at least once a week in recent months. How important is rolling up his sleeves and working in the restaurant to him? "Last Friday, I was at the White House, serving on the Council for Community Solutions, got on a train, changed in the bathroom and got here in time to wash dishes Friday night," he said. "I'm the dishwasher, for real. I can't cook a lick." – Source: Associated Press/LexGo.com.

Subway Continues Commitment to Eco Restaurant Model

Subway's unit opening count for August and September was tallied at more than 400, further solidifying the chain as the largest in the world with more than 35,300 locations. Of particular note in this recent report was the number of new "Eco Restaurants" in the system. Four were opened in those two months alone, bringing the total number to 14. The first such restaurant opened in November 2007. "Before the 2007 opening, we determined we needed to work on the efficiencies of our stores as we build out and decided it would be good to go through a LEED certification process," said Elizabeth Stewart, who heads the chain's corporate social responsibility efforts. Initially, a franchisee in Florida earned the LEED certification in conjunction with the U.S. Green Building Council. Subway created its own green certification process, with less stringent criteria more fitting of the diverse location options within its extensive system. Two more of these Eco Restaurants were opened in 2007. Two opened in 2008, one opened in 2009 and four opened in 2010. Stewart said the idea behind Subway's Eco Restaurant program was simple: It reflects the brand's commitment to social responsibility. "When you look at what LEED is trying to do, they're trying to improve efficiency and sustainability and social responsibility. Here we are as a restaurant chain developing throughout the world and we thought something like this would fit our system well as we grow," Stewart said. Each "Eco Restaurant" is designed with green elements that reduce energy, water and waste consumption. This bodes well for the 100-percent franchised chain, yielding greater opportunities to save money, said Les Winograd, spokesperson for Subway. Some of the options offered (and some now mandated) by Subway include: EnergyStar-rated equipment, such as refrigerators, ice machines and freezers; High-efficiency HVAC systems; High efficiency lighting program. Stewart said Subway is shifting to LED lighting, but is unable to predict a concrete date for the full transition; Low-flow faucets and dual flush toilets; and Motion light sensors. "We offer options when franchisees design their store based on what's relevant for that store. For example, you wouldn't put a solar light tube in your unit if it was part of a strip mall," Stewart said. Some franchisees have gone even further in their green efforts, adding automatic water shutoff sensors, electric sub-metering systems to keep temperatures as constant as possible, and recycling programs depending on what is available by municipality. One Eco Restaurant, in Kokomo, Ind., was even presented with the Lugar Patriot Energy Award, recognized for being constructed entirely from recycled stone. The criteria for consideration as an Eco Restaurant are loosely based on the U.S. Green Building Council's LEED certification. Of the 14 current green Subways, four are officially LEED certified, while three are pending certification. Subway, however, offers its own "Eco Restaurant" certification, a designation displayed in the appropriate stores. Subway supports franchisees interested in greening their units by offering information packets that include cost benefits. "We can't present quantifiable data because the savings vary so much depending on restaurant location. But we regularly communicate to our franchisees the estimated savings of making these efforts, and try to motivate them on how to improve efficiency. This is really a good business practice, as it improves operating efficiencies and profitability," Stewart said. Subway has seen more interest in this option, even though the actual adoption has been slow. The chain does not have a stated goal for the number of Eco Restaurants it plans to have open within the next few years. "We simply want to continue to encourage our franchisees to use their best sustainable business practices and offer the option to build or remodel an eco-store," Stewart said. Winograd said more franchisees are becoming attracted to the idea as the trend takes hold with consumers. "Customers really appreciate restaurants and brands that make these efforts," he said. Data released last year by research firm

Technomic confirms this, as 70 percent said they are more likely to dine at a certified green restaurant over one that is not. Adding more Eco Restaurants to its giant system is a minor part of Subway's overall sustainability efforts. The company presents Sustainability Awards to chosen vendors each year, recently installed greener menu panels, uses 100-percent recycled napkins, implemented a reusable meal bag program for its Fresh Fit for Kids meals and more. "We have made a commitment to make our restaurants and operations more environmentally responsible," Stewart said. "As the largest restaurant chain in the world, in terms of number of locations, we know we can make a real difference and are working towards that goal." – Source: SRWeb.com.



Blackstone to Acquire New Zealand's Antares Restaurant Group

The Blackstone Group announced that its private equity funds have agreed to acquire Antares Restaurant Group in New Zealand from Anchorage Capital Partners. Terms of the transaction were not disclosed. Headquartered in Auckland, Antares has the exclusive franchise development rights for the Burger King® brand in New Zealand and operates 75 Burger King® restaurants throughout the country. Under the leadership of the current management team, the business is in the early stages of an ambitious refurbishment program while also opening new restaurants to broaden the footprint in an increasing number of local communities across New Zealand. Jan Nielsen, a Managing Director in Blackstone's private equity group, said: "We are extremely excited about the potential we see in Antares and the superb quality of the management team who will be our partners to further develop and grow this business. Burger King® is a leading consumer business with an iconic brand and strong growth prospects in the Asia-Pacific region, and we are excited about partnering with Burger King Corporation to expand their presence in the region." Mark Bayliss, a Partner with Anchorage Capital Partners, said, "Anchorage has enjoyed working closely with the Antares management team over the past 2 years to transform the operational and financial performance of the business and build a sustainable growth platform going forward, and we are pleased with the excellent result the sale will deliver to our investors." John Elliott, Chief Executive Officer of Antares, added: "I am delighted that Blackstone will be the new investor and owner of Antares. With their long term focus and drive to add value through deployment of capital and operational improvements, we believe that they are the perfect partner to work with to take Antares to the next level." Blackstone is one of the largest private equity investors in the world with US\$38 billion in capital committed or invested in 160 separate private equity transactions. Blackstone currently has US\$17 billion of available equity capital to invest in further private equity transactions. – Source: The Blackstone Group.

Five Guys Burgers Boston-Bound

Virginia-based burger chain Five Guys Burgers and Fries is apparently laying plans to open not one, but two locations in downtown Boston - with the first set to open in a matter of months. The popular burger chain has opened locations in several Boston suburbs, but until now has stayed away from the city proper. Now, Five Guys has a Craigslist job listing for a "Summer Street location," and the Downtown Boston Business Improvement's website is reporting the new restaurant is set to open later this year or next year at 58 Summer St. The Summer Street plans were first reported on the blog Boston Restaurant Talk. Meanwhile, the Boston Globe reported that Five Guys is one of several restaurants to sign leases in a new, Washington Street tower, the Kensington. The 27-story tower was set to break ground this week at the corner of Washington and LaGrange streets, in Chinatown, the BBJ's Real Estate Roundup reported recently. LaGrange Street was once the heart of Boston's red-light district, known as the Combat Zone. The fast-growing, fast-food franchise chain Five Guys operates over 625 restaurants across the country, including 19 existing locations in Massachusetts. A Five Guys spokesman could not immediately be reached to confirm the company's plans. Five Guys specializes in making only "hand-formed" burgers fried in

peanut oil, according to the company's website. The chain's menu consists mainly of hamburgers and hot dogs, which are made to order with a variety of toppings. The chain claims there are more than 250,000 possible ways to order a burger at their restaurants.

Locally, Five Guys already has restaurants in the Dedham Mall, Foxborough, Medford and Walpole, among other locations. – Source: Boston Business Journal.

Del Taco Sells Six Units to Franchisee

Del Taco has sold its remaining six Phoenix restaurants to Desert Taco, its largest franchisee in Arizona. Led by Brent Veach, Desert Taco currently owns and operates 14 Del Tacos and will bring its total ownership to 20 of the area's 26 locations with this acquisition. Desert Taco opened its first Del Taco in 1999. "Brent Veach is an outstanding operator and champion of the Del Taco brand in Phoenix. These six additional locations give his organization valuable market penetration and demonstrate his long term commitment to Del Taco," said Jim Lyons, Del Taco's chief development officer and COO/Franchise. Veach believes the market is a solid one for the brand. "I am confident in the long-term viability of the Phoenix market," he said. Del Taco has more than 525 restaurants in 17 states. – Source: QSRWeb.com.

Confirmed: NYC Chef Daniel Boulud to Open Toronto Restaurant

Michelin-starred New York chef Daniel Boulud will open a restaurant in the new Four Seasons Hotel Toronto next summer. News of the impending arrival of the celebrity chef broke after the luxury hotel in Yorkville sent out deliberately vague invitations for an Oct. 27 media event at its Four Seasons Private Residences Toronto presentation gallery. "Guess who's coming to dinner? Join Four Seasons as we welcome another culinary great to the Toronto stage. Meet the chef behind the restaurant and bar for the new Four Seasons Hotel Toronto." Marketing director Don Schreifels later confirmed it will be Boulud, who is from Lyon and has restaurants in New York, Miami, Palm Beach, Beijing, Singapore and London. "It's going to be his restaurant concept, his restaurant design and his culinary experience within the Four Seasons," said Schreifels. "It will be an independent restaurant concept within the hotel." Boulud will reveal the restaurant's name and concept to the media on Oct. 27. Schreifels promised Boulud would "bring something new and dynamic to the city." The Four Seasons is moving from 21 Avenue Rd. to 60 Yorkville Ave. next summer. The new building will be a hotel and condo with a ground floor lounge. Boulud's restaurant will be "floating above the lounge" on its own floor, said Schreifels. It's slated to open in July. Boulud will be in Toronto next week for the Grand Cr Culinary Wine Festival. He's one of the chefs cooking in 26 private homes on Oct. 29 to raise money for the University Health Network. Boulud is also planning to open Maison Boulud (with casual-upscale French fare) at the newly renovated Ritz-Carlton Montreal next year. He shut his two Vancouver restaurants, Lumière and db Bistro Moderne, in March after just two years in business. Vancouverites have been turning away from fine dining and embracing casual eating. – Source: thestar.com (Canada).

Krystal Restaurant Chain Has Big Plans for Expansion: 760 Locations by 2016

The Krystal Co. is set to double the number of restaurants it owns or franchises to 760 over the next five years, but much of that growth could happen under new ownership if a planned sale goes forward by the end of 2011, officials said. "We're halfway through the [sale] process," said CEO Fred Exum. "The plan is to complete the process by the end of the year." Exum said the chain's expansion in the Southeast, what he calls its "heritage market," had "nothing to do" with prepping the burger chain for a potential buyer. Instead, it has everything to do with modernizing Krystal's stable of older restaurants and shifting stores to more profitable locations -- a process that has been under way for several years, Exum said. Krystal's latest restaurant redesign, which executives showcased Monday on South Broad Street, is one of a flurry of new locations under construction across the Southeast, said Howard Nelson, vice president of operations. Another first for the company is its new storefront model -- suitable for strip malls or other high-density locations that Krystal will test in Atlanta under the code name, "Krystal Too." Including the company's new Broad Street location in Chattanooga, Krystal has opened six restaurants in 2011, including stores in Tampa, Fla.; Gulfport, Miss.; Millidgeville, Ga.; Murphy, N.C.; and Jacksonville, Fla., officials said. The new, smaller designs cost about \$500,000 less to build than a typical Krystal, bringing the cost for a new restaurant down to about \$1 million, Nelson said.

"We're definitely back in growth mode," he added. A tough economy has driven consumers toward less-expensive fast food options, and the company has found that its small, steamed Krystal burgers often fit the bill. Executives were initially forced to close more than 40 obsolete restaurants during the recession. But the restaurant chain continued buying undervalued property starting in 2008 to prepare for a post-downturn resurgence, officials said. Plans to expand outside the Southeast were also scrapped during the recession, including an experimental restaurant on Brainerd Road with alternate menu options and a carhop service designed to appeal to palates outside the Southeast. "Two things struck us. One was the recession," Nelson said. "The other was the fact that we have a lot of potential to grow right here in our heritage market." The company has "withdrawn in size over the last 14 years" as populations shifted and less efficient stores fell behind, he said. – Source: Chattanooga Times Free Press (TN).



Business Travel Is Driving Hotel Demand

Rebounding corporate travel has driven hotel occupancy up to levels not seen in three years, defying confidence-killing talk about double-dip recessions and a Greek default. The numbers are good news for a property sector that limped along as firms avoided business travel in the recession, but they're no sure fix. IBD's Leisure-Lodging industry group is down 21% this year through Thursday. The Finance-Property REIT group is off 8%, while the S&P 500 index is off 4%. How booked are hotels? Nationwide, monthly occupancy averaged 61.4% through the first eight months of 2011, up 4.5% year over year, says Smith Travel Research. "It seems as though a number of businesses realized at the end of 2010 that having face-to-face meetings is the way to create relationships that result in revenue opportunities," said STR spokesman Jeff Higley. It "of course requires travel." Room demand hit record levels in July and August, with more than 100 million room nights sold each month, he noted. Early data suggest demand continued in September. Yet the increasing demand has yet to translate into pricing power that typically accompanies resurging demand. Average daily room rates year-to-date through August grew 3.5% to \$101.16 from a year earlier, STR says. That's still about \$7 below the average rate in August 2008, just before the capital markets imploded and recession struck. Room demand isn't rebounding as robustly in smaller markets as in large cities, and that is partly responsible for holding back rate increases in the overall sector nationwide, said David Loeb, a managing director on Robert W. Baird's Hotel Research Team. But even in top-10 hotel markets - such as New York, San Francisco and Washington, D.C. - where there have been some room-rate increases, hotel operators that want to raise rates even more are confronting bleak predictions about the economy and unemployment on a daily basis. "I think there's a little bit of reluctance to push rates too far for fear of a backlash," he said. "No one wants to create an excuse for companies to send fewer people to a meeting." Businesses have ramped up travel spending, especially for trips to conferences and meetings in upscale hotels in larger cities, he says. Subsequently, STR data show, revenue-per-available-room (RevPAR) grew to an average \$62.15 January-August, up 8.1% year over year. -- Source: investors.com.

Spicy Pickle Takes on the Middle East

Spicy Pickle Sandwich Company is taking on the Middle East. Spicy Pickle Franchising Inc. will open seven locations in the State of Qatar next year under the ownership of Salma Maher and Hanan El Basha, owners of Food Fabulous. Representing the company's first foray into the Middle East region, the first Spicy Pickle location in Doha, Qatar is scheduled to open for business in April 2012. "We are very fortunate to have found really great partners to launch our Middle East expansion plan," said Mark Laramie, Spicy Pickle's CEO. "We have been working diligently for the last year preparing for this exciting growth opportunity. This part of the Middle East, particularly Doha, Qatar, is a great place for Spicy Pickle expansion, and we expect our development there to

accelerate existing interest in the surrounding region. "With the ongoing surge in growth in the state and the awarding of the 2022 FIFA World Cup, Qatar's consumer outlook remains positive over the next 10 years. Many believe Qatar could challenge the UAE (especially Dubai) as the Gulf region's most exciting consumer market," added Maher. – Source: FastCasual.com.

O'Charley's Inc. Completes \$105 Million Sale-Leaseback Transaction

O'Charley's Inc. announced that it has completed a sale-leaseback of 50 O'Charley's restaurant properties, which produced gross proceeds of approximately \$105 million. The Company is using the net proceeds from the sale-leaseback of approximately \$103.8 million and approximately \$11.4 million of available cash to redeem at par all of its \$115.2 million principal amount of 9% senior subordinated notes due November 2013 (the "Senior Notes"), leaving the Company with virtually no long-term debt on its balance sheet. The properties were purchased by STORE Capital, an institutionally funded, single-tenant real estate investment trust based in Scottsdale, AZ, founded by a veteran management team including Mort Fleischer and Chris Volk. The impact of the two transactions will be a decrease in annual interest expense associated with the Senior Notes of approximately \$10.0 million which will be offset by approximately \$8.8 million of incremental annual rent expense. The full impact of these changes will be reflected in the Company's 2012 results. O'Charley's Inc. President and CEO, David W. Head, commented, "As a result of this 20-year sale-leaseback, we believe we have significantly strengthened our financial position. In addition, by monetizing approximately half of our real estate portfolio and locking in more favorable long term financing, the transaction increases our flexibility in a difficult operating environment." The Company also announced that it has entered into an Amended and Restated Credit Agreement with its existing banks, under which it has reduced its revolving credit facility to \$30 million from \$45 million and extended the facility's term to 2016. While the facility's terms are substantially consistent with the relevant terms of the prior facility, which was to mature in August 2013, the Company is permitted capital expenditures for restaurant remodels and expansion under the new facility of up to \$5 million for 2011 and up to 35% of EBITDA (as defined) for 2012 and the years thereafter. – Source: O'Charley's Inc.

Wingstop to Test Sports-Themed Restaurant

Wingstop is testing a new fast casual concept in Brownsville, Texas, called Wingstop Sports. The restaurant, set to open around Thanksgiving, will have inside and outside seating for about 98 people ... Wingstop is testing a new fast casual concept in Brownsville, Texas, called Wingstop Sports. The restaurant, set to open around Thanksgiving, will have inside and outside seating for about 98 people and will offer everything on the regular Wingstop menu, plus appetizers, salads, sandwiches, dessert, beer and wine. Burgers, however, will not be on the menu, said Bill Knight, Wingstop's COO. "We think we are good at poultry, so everything will be based around that; Wingstop Sports is basically a Wingstop with an enhanced menu," he said. A franchisee, who already owns traditional Wingstop locations, will operate the sports-themed restaurant covering about 2,800 square feet. Most Wingstop stores are about 1,500 square feet. The new restaurant also will have 10 high-definition televisions, as opposed to the two TVs found in standard locations. During sporting events, those TVs will be turned up but will be on mute when games aren't being aired. "This isn't a bar; we're not trying to be a Buffalo Wild Wings, but we obviously don't want to compete with ourselves either," Knight said. "It's a fun, friendly setting where families and sports fans can enjoy good food, watch games and have a beer or two," Knight said. Although Wingstop Sports doesn't want to be "only a bar," Knight said it does expect to sell more alcohol than the standard Wingstop locations. "At a traditional store, sales are between 1 to 2 percent alcohol; we want to inch that up to around 6 to 10 percent," said Knight, who pointed out that the décor will include a small area with high tables to indicate a bar-like setting. Kathy Diamond Design Associates, an architecture firm that has worked with Taco John's and Mazzio's, helped Wingstop create its "comfortable, fun atmosphere." Knight is hoping the look as well as the enhanced menu will inspire customers to dine in more often. At a traditional Wingstop, about 75 percent of sales are from carryout orders; Knight expects that number to fall to 40 percent at the new concept. A separate take out counter, however, will serve carryout customers. Another difference between a traditional Wingstop and the new concept is how customers receive their food. Although they will order at the counter as they do in a standard Wingstop, employees will deliver food to tables instead of having the customer pick it up at the counter. Knight admitted that a second Wingstop Sports may be on the agenda in Texas if the first store does well, and he was adamant that the company has no plans of changing over its traditional locations to the new concept. "This is a limited test," he said. "We'll assess it once we get a couple

open, but there are no plans past the two. This may end up working in smaller markets, but we are being conservative. It all sounds good but the customer always validates things." Source: FastCasual.com.



How Krispy Kreme is Embracing Hands-Off Approach

While Krispy Kreme has never succumb to pressure to reformulate its indulgent – and fat-filled -- doughnuts, the nearly 75-year-old brand continues to slim down in other areas, paring its ad agency list and spending virtually nothing on broadcast media. The less-is-more approach is being driven by Chief Marketing Officer Dwayne Chambers, who in a presentation Sunday at the Association of National Advertisers conference reaffirmed the company's commitment to social media-driven word-of-mouth-marketing, while embracing a hands-off approach that lets fans– not Krispy Kreme – control the brand's messaging. "I don't own the brand and the idea that I ever owned the brand is really kind of stupid," said Mr. Chambers, who has been on the job for about a year. "The more we try and control it, the less control we really have." That was not always the case at Krispy Kreme. Just five years ago, the company's legal department would send out cease-and-desist letters to "little old ladies crocheting Krispy Kreme logos on potholders" to protect the brand's trademark, Mr. Chambers recalled. But now the company stays on the sidelines as fans create their own web and Facebook pages dedicated to the doughnuts. And while the legal folks are "freaking out" about giving up such control, Mr. Chamber's marketing philosophy is to "just allow the brand to live and let it live in those people's hearts and minds." At the same time, Krispy Kreme is whittling down its agency roster. When Mr. Chambers arrived, the company had 17 agencies and consultancies, or as he said, "basically an agency or consultant per person in my department." Now Krispy Kreme is down to one agency-of-record -- independent shop Barkley, which handles media and marketing duties – plus a couple other shops for small projects. The smaller roster has brought more focus, he said. "With limited budgets, everything has to work together, and it's got to be working together really, really well or you start losing effectiveness." The company – which oversees just under 800 locations across the globe, spent only \$1.2 million on measured media in the U.S. in 2010, according to Kantar Media. – Source: AdvertisingAge.

Yogurt Mountain Opens 39th Self-Serve Frozen Yogurt Store

Yogurt Mountain, LLC announced that America's Favorite Yogurt Store™ has opened a new store in Spartanburg, SC, making its 5th in the state. "Spartanburg's mild climate and close proximity to mountain and beach resorts made it an ideal location choice for our continued expansion in South Carolina," commented David Kahn, President and CEO of Yogurt Mountain®, LLC. "The city's active and culturally expanding community will benefit from our brand's strive to promote healthy living and consumer choice. Predetermined portions are a thing of the past. Since you pay by the ounce, you can have as little or as much of everything you want." – Source: Yogurt Mountain®.

119 Hotels Seen Being Built in MidEast, Africa in 2011

A total of 119 hotels are predicted to be built in the Middle East/Africa region this year, according to the latest data published by STR Global. Year-to-date, 50 hotels have opened in the region supplying a further 9,663 rooms with another 69 hotels (15,420 rooms) in the pipeline for completion before the end of 2011, STR Global said. During 2012, 131 hotels are planned to open with 36,205 rooms, it added. In its latest Construction Pipeline Report, the industry experts said the region has 481 hotels totaling 130,479 rooms. "The room growth in the region still

continues, as 4,390 rooms have been added to the total active pipeline since August," said Elizabeth Randall, managing director of STR Global. "With 36,205 rooms in the region's pipeline for 2012 and 29,260 rooms planned for 2013, it is clear the Middle East/Africa region still an attractive region for development," she added. Among the hotel sectors, the upper upscale will be boosted by 3,733 rooms and 15 projects this year and the luxury segment by 3,052 rooms and 13 projects. STR Global said in 2012, the most rooms are planned to open in the luxury segment (11,123 rooms and 34 projects) and the upper upscale category (10,198 rooms and 31 projects). Recently, STR Global said hotels in Dubai are set to see revenue per available room grow by 8-9 percent in 2011. Its forecast for the UAE city said it also anticipates demand growth of nearly 15 percent for the full year as international tourists number more than eight million. STR Global said that new supply growth in 2012 is expected to reach 9.6 percent, causing both rate and occupancy to slow down. In September, STR Global said Abu Dhabi could see a further 90 percent growth in its hotel offerings if all the rooms currently in its construction pipeline are built. -- Source: arabianbusiness.com.

Joe Uva Joins Dunkin' Brands Board of Directors

Joe Uva, most recently president and chief executive officer of Univision Communications, Inc., has been appointed to the board of directors of Dunkin' Brands Group, Inc., the parent company of Dunkin' Donuts and Baskin-Robbins. Mr. Uva has more than 30 years of experience leading global, public companies. "We are pleased to have Joe join the Dunkin' Brands board of directors," said Nigel Travis, c.e.o. of Dunkin Brands, Inc. and president of Dunkin' Donuts U.S. "With his broad array of management skills, business acumen and experience with public companies, both as an executive and a board member, we believe he will provide tremendous insights that can benefit our franchisees, customers and shareholders." Before joining Univision, Mr. Uva was president and c.e.o. of OMD Worldwide. Earlier, he was president of Turner Entertainment Group Sales and Marketing. Mr. Uva was inducted into the Broadcasting and Cable Hall of Fame in 2007, and he has received numerous awards for his professional achievements. – Source: FoodBusinessNews.com.

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



Thank you for reading The Global Foodservice E-newsletter from American Recruiters!

Craig Wilson
312-780-7510
cwilson@ariteam.com

Michael Page
312-780-7505
mpage@ariteam.com

Ted Agins
312-780-7508
tagins@ariteam.com

Mario Schacher
847-909-1237
mschacher@yahoo.com

DJ Amborski
312-780-7509
djamborski@ariteam.com

Joice Day
312-780-7507
jdat@ariteam.com

John Daschler
312-780-7506
jdaschler@ariteam.com