

KNAPP-TRACK™ JULY/AUGUST 2010

The estimated comparable restaurant sales change in August 2010 is 0.6% and -1.9% for guest counts. These estimates are vs. an August 2009 result of -5.7% for comparable restaurant sales – the 5th worst month in 2009 - and -4.8% for comparable guest counts. The estimated comparable restaurant sales change in August 2010 is 6.3 percentage points better than August 2009. Please note that this August estimate is based on weekly data. The final accounting number for the month of August will depend in large part, on shifts in results for individual concepts based on the specific weeks included in their accounting month. The positive estimate for August 2010 is the second positive month in a row for comparable sales since May 2008. May 2008 was positive only because of a large injection of stimulus money directly to virtually all households. Every month in the year 2008 with the exception of May was negative for comparable sales.

In August 2010, 3 of 4 weeks had positive comparable sales results and 1 week had negative comparable sales. In August 2010, 4 of 4 weeks had negative guest counts. The spread for comparable sales between the best week of the four weeks in August 2010 vs. the worst week is -2.0 percentage points, with the best week being the second week and the worst week, the fourth week.

There is a most unusual event in that for all the weeks in May 2009, in June, in July, in August, in September in October and again for some weeks but not all weeks in November, comparable restaurant guest count results were better than sales. Comparable guest counts were 0.7 percentage point better in May 2009, 0.9 percentage point better in June 2009, 0.7 percentage point better in July 2009, 0.9 percentage point better in August, 1.1 percentage point better in September 0.8 percentage points better in October and 0.9 percentage points in November. The level of discounting fell in December as comparable sales exceeded guest counts by 0.4 percentage points. In January 2010, comparable sales are 0.1 percentage points better; in February, 0.9 percentage points better; in March, 0.8 percentage points better; in April, 1.8 percentage points better; in May, comparable sales are 2.9 percentage points better than comparable guest counts due to extreme discounting last May. In June 2010, comparable restaurant sales results were 2.6 percentage points better than comparable guest counts due to heavy discounting last year. In July 2010, comparable restaurant sales are 2.5 percentage points better than comparable guest counts. In August, the difference was also 2.5 percentage points in favor of comparable sales.

KNAPP THOUGHTS: We have evolved into a new society. Conspicuous consumption is out conscious consumption is in. We have become a re-allocative society, which has to live within its income. Individual households decide each month how to allocate spending after fixed expenses are paid. There is a shifting spending allocation each month depending on priorities of the moment. This re-allocation of disposable income causes fluctuations month to month on how income is spent and causes uncertainty for merchants and manufacturers. Separately, we seem to be on a current path to becoming a re-allocation nation, with Federal, state and local governments taking income and wealth from some and giving it to others.

The other significant occurrence is the reemergence despite the poor economic climate of the regenerative power of selected brands. Some of the best performing brands today were double digit negative two and three years ago. These brands re-discovered the original reasons the brands were popular and have up dated and renewed the reasons in a way relevant to today's consumer. Some of these brands were written off as dead or dying. Not true. The history of strong restaurant concepts is one of regenerative ability. Nearly all strong brands find themselves in the pickle barrel at least once and some several times in their history. The concepts with regenerative ability in their brand DNA come back.

JULY 2010 final comparable restaurant sales were 0.9%. These accounting period results are 9.2 percentage points above the below trend July 2010 – the worst month of 2009 - comparable restaurant sales results of -8.3%.

July 2010 comparable restaurant guest counts were -1.6%. July 2009 comparable restaurant guest counts were -7.6%.

Year to date comparable sales in July 2010 were -1.4% vs. -5.8% for July 2009. Year to date comparable guest counts in July 2010 were -3.0% vs. -6.3% for July 2009. Year to date all store sales through July 2010 were -0.0% vs. -3.2% for July 2009. Year to date all store guest counts through July 2010 were -1.7% vs. -3.7% for July 2009.

The estimated comparable restaurant sales change for August 2010 of 0.6% was below the weighted average same-store chain retail industry performance at 3.3% as measured by Thompson Reuters vs. August 2009 result of -2.8%. While these results may look sort of decent, they were driven by tax-free holidays and sharp markdowns.

Please note that Wal-Mart stopped issuing monthly sales with the April 2009 data.

In August 2010, data from Women's Wear Daily showed Mass Merchants excluding gasoline sales with a gain of 4.0% vs. 0.6% a year ago, which led comparable store sales followed by Department Stores at 1.9% vs. -9.9% a year ago and Specialty Chains at 1.1% vs. -4.9% a year ago.

In the department store category, Nordstrom was up 6.3% vs. -7.6% a year ago. Macy's was up 4.3% vs. -8.1% a year ago. Neiman Marcus was up 2.9% vs. -19.6% a year ago J.C. Penney was up 2.3% vs. -7.6% a year ago and Saks Fifth Avenue was up 1.0%, it was down -19.6% a year ago.

In the Wholesale Club store category, Costco excluding gasoline was up 5.0% vs. 2.0% last year. BJ Wholesale Club excluding gasoline was up 1.9% vs. 2.2% a year ago. Among discounters, Target was up 1.8% vs. -2.9% last year.

Sales of cars and light trucks were basically constant with an annualized rate of 11.47 million vehicles in August vs. 11.54 million vehicles in July vs. 11.17 million vehicles in June 2010, a May 2010 level of 11.63 million vehicles and a March 2010 level of 11.78 vehicles.

The actual full year vehicle sales for 2009 were 10.4 million vehicles, down 21.2% from 2008 and the lowest total vehicle sales since 1982.

The primary cause of weakness in sales is the severe financial crisis, which is not yet resolved, and which is now imbedded into the general economy as reflected by increasing mortgage defaults and continuing high levels of unemployment and underemployment. There is a further burden on attitudes on spending as the stock market continues to gyrate causing great uncertainty.

While consumer confidence is up 30.2 index points in August 2010 from the February 2009 level of 25.3, consumer spending is mixed. The increase in confidence is consistently due to a view that things will be better in 6 months from the date of the given monthly report. While the Expectations component of the Consumer Confidence Index is up 45.2 index points from the 27.3 of February 2009, the Current Outlook component of the Consumer Confidence Index increased a slight 2.6 index points in the past year, coming off the February 2009 lows of 22.3.

Value propositions with meaningful products for the majority of concepts will continue to be very important. It is important to note that it is not just the quality of the value proposition but also the efficacy of the messaging.

The personal savings rate is up. In January 2010 it was 5.7%, in February it was 5.4% and in March it was 5.3% for a 1 Q 2010 rate of 5.5%. In April it was 5.9% In May it was 6.1% in June it was 6.2% and in July it was 5.9%. The 2nd quarter rate was 6.1%.

In contrast, the annual personal savings rate in 2005 was 1.4%, for 2006 it was 2.4%, for 2007 it was 2.1%, for 2008 it was 4.1% and for all of 2009 it was 5.9%. The past 50 year average savings rate is 7.0%.

There is a reduction in consumer credit. For 2005 it was 4.5%, for 2006 it was 4.1%, for 2007 it was 5.7% and for 2008 it was 1.5%. For the full year 2009, total consumer credit fell -4.4%, revolving credit declined -9.6% and non-revolving credit fell -1.3%. Total consumer credit in the first quarter of 2010 fell -1.9% and -2.5% in the 2nd quarter. The annual rate of change shows a decrease of -6.4% in April 2010, a decline in May of -1.2%, a decline in June of -0.5% and a decline in July of -1.8%. Revolving Credit fell -8.5% in the 1st quarter 2010 and -7.2% in the 2nd quarter. Revolving credit fell -8.8% in April, -5.9% in May, -7.5% in June and -6.3% in July. Non-revolving credit rose 1.7% in the 1st quarter of 2010 and was unchanged at 0.0% in the 2nd quarter. Non-revolving credit fell -3.5% in April, rose 1.2% in May, rose 3.2% in June and was up 0.6% in July. What is interesting is that consumers have more severely restricted their credit card balances (revolving credit) far more than credit for things such as auto credit, which has a lower interest rate.

The Manufacturing Index, as measured by the Institute for Supply Management was 56.3 in August 2010, up 0.8 index points from 55.5 in July 2010. August is the 13th month of expansion following 18 months of contraction in manufacturing activity. An index above 50.0 indicates an expansion of manufacturing activity. The average Manufacturing Index for the past 12 months is 56.6. The recent bottom is an index number of 32.9 in December 2008.

Export orders had expanded for 70 consecutive months. This was no longer the case for the nine consecutive months of contraction, ending in June 2009 at 49.5 index points. The good news is that the August 2010 index for new export orders is into expansion territory for the 14th month at 55.5 a decrease of -1.0 index points from July 2010.

The Non-Manufacturing Index of the Institute for Supply Management was down -2.8 index points with an index of 51.5 in August 2010 vs. 54.3 in July 2010.

This is the 8th month of expansion in the index after a two-month contraction. The 12-month average of the Non-Manufacturing Index is 52.3. This series had contracted for 11 months through August 2009. September and October were expansionary. The recent bottom is an index number of 37.4 in November 2008. The Non-Manufacturing Business activity index is down -3.0 index points with August 2010 at 54.4 index points and July at 57.4 index points. This series is up 9 months in a row.

There has been a major revision to the economic statistics of the USA from 2007 forward. The data in all the statistical material relating to economic activity is restated in all the data except credit. The annual level of Real GDP for 2007 was 1.9%, for 2008 it was 0.0%, for 2009 it was -2.6%. The first quarter real 2008 GDP was -0.7%, the second quarter 0.6%, the third quarter -4.0% and the 4th quarter -6.8%. The first quarter 2009 real GDP is -4.9%. The 2nd quarter real GDP is -0.7%. The third quarter real GDP is 1.6%. The fourth quarter 2009 real GDP was 5.0%. The 1st quarter 2010 real GDP final estimate was 3.7%. The 2nd estimate for 2nd quarter is 1.6%. Real exports of goods and services were up 11.4% in 1st quarter 2010 and up 9.1% in the 2nd quarter. Real imports were up 11.2% in the 1st quarter 2010 and up 32.4% in the 2nd quarter.

There is plenty of slack in the economy. Total industry industrial capacity utilization in July 2010 is only 74.8 vs. June 2010 at 74.1%, no change from the 74.1% rate of May 2010. The 40 year average capacity utilization rate is 80.6%.

From August 2009 through August 2010, the seasonally adjusted number of payroll jobs has increased a revised 229,000 jobs or an increase of 0.18% in the number of jobs. Current Census 2010 temporary workers total 82,000 due to a decline of -114,000 Census temporary workers in August. The June initial jobs loss was -125,000. June was revised to -175,000 jobs. The July initial jobs loss was revised from a loss of -131,000 jobs to a loss of -54,000. For January, February, March, April, May, June July and August the jobs increase was 723,000 jobs of which 763,000 or 105.5% are private-sector jobs. It is highly probable that we will see increases in job levels through the remainder of the year at a slower pace than the first half. The Conference Board reported in August 2010 that 45.7% of consumers said, "jobs are hard to get", down a 0.6 percentage point increase from July's 45.1%. In August 2010 only 3.8% of consumers said jobs were plentiful vs. the 4.4% of July 2010.

The seasonally adjusted job loss from the start of the recession in December 2007 through August 2010 (33 months) is -7,640,000 or -5.538%, which is

the second largest drop since World War II. In comparison, the worst post World War II decline in jobs was in September 1945 with a drop of -10.1% of jobs followed by a drop of -5.2% in October 1949. The drop in December 1982 was -3.1%, for May 1991 it was -1.5% and in August 2003 it was -2.0%.

There are sharp differences in unemployment rates by race. The unemployment rate in August 2010 for White was 8.7%, for Hispanic or Latino ethnicity 12.0% and for African Americans the rate was 16.3%. The White unemployment rate was up 0.1 percentage points from July 2010; the Hispanic unemployment rate was down -0.1 percentage points from July 2010 while the unemployment rate for African Americans was up 0.7 percentage points from July 2010. The adult men unemployment rate in August 2010 was 9.8% and was up 0.1 percentage points from July 2010. The adult women unemployment rate in August 2010 was lower than men at 8.0%, up 0.1 percentage points from July 2010. The unemployment spread between adult men and women is 1.8 percentage points as male dominated industries are the worst performers in job loss while the female concentrated industries such as health care, added jobs.

The unemployment rate for college degree and higher in August 2010 is 4.6% vs. 4.7% in August 2009. The unemployment rate in August 2010 for some college or an associate degree is 8.7% vs. 8.2% in August 2009. The unemployment rate for High School graduates with no college in August 2010 is 10.3% vs. 9.8% in August 2009. The unemployment rate for less than a high school diploma in August 2010 is 14.0% vs. 15.5% in August 2009. The unemployment rate in August 2010 at 9.6% is up 0.1 percentage points from 9.5% in July 2010. The unemployment rate in August 2010 for teenagers (16-19 years old) is 26.3% vs. 25.7% in August 2009. In 1982, the unemployment rate peaked at 10.8%. The civilian labor force decreased by -341,000 in August 2010.

In August 2010, the number of individuals working part time, seasonally adjusted, because their hours had been reduced or because they were unable to find a full time job was 8,860,000. This level is 331,000 jobs higher than July 2010. The August 2010 level was -217,000 jobs lower than in August 2009 or a decrease of -2.39%. The small decrease in part time jobs for structural reasons suggests that the economy is improving and that restoration of hours is a necessary condition leading to jobs growth.

The unemployment rate in the broadest sense is 16.7% in August 2010 vs. 16.8% in August 2009. This definition is total unemployed, plus all marginally attached workers plus total employed part time for economic reasons.

There is a difference in the Household Survey and the Payroll Survey in the decrease in jobs in August 2010. The Household Survey, which is used to calculate the unemployment rate showed a job gain of 290,000. The Payroll survey showed a jobs loss of -54,000 jobs.

Gasoline prices bottomed on December 29, 2008 at \$1.613.

On August 10, gasoline prices were \$2.647 per gallon, up 3.5 cents or 1.340% from July 6. On September 7, gasoline prices were \$2.588 per gallon, down -5.9 cents from August 10. On October 12, gasoline prices were \$2.489 per gallon, down -9.9 cents or -3.825% from September 7. On November 16, gasoline prices were \$2.629 per gallon, up 14.0 cents or 5.62% from October 12. On December 7, gasoline prices were \$2.634 per gallon, up 0.5 cents or 0.19% from November 16.

On January 18, 2010, gasoline prices were \$2.739 per gallon, up 10.5 cents or 3.99% from December 7, 2009. On February 15, 2010, gasoline prices were \$2.608 per gallon, down -13.1 cents or -4.78% from January 18, 2010. On March 22, gasoline prices were \$2.819 per gallon, up 21.1 cents or 8.090% from February 15. On April 19, 2010, gasoline prices were \$2.860 per gallon, up 4.1 cents or 1.45% from March 22. On May 10, 2010, gasoline prices were \$2.905 per gallon, up 4.5 cents or 1.573% from April 19. On June 21, gasoline prices were \$2.743 per gallon, down -16.2 cents or -5.58% from May 10. On July 12, gasoline prices were \$2.718 per gallon, down -2.5 cents or -0.911% from June 21. On August 9, gasoline prices were \$2.783 per gallon, up 6.5 cents or 2.391% from July 12. On September 6, gasoline prices were \$2.682 per gallon, down 10.1 cents or -3.629% from August 9. Gasoline prices are up \$1.069 or 66.27% from the December 29, 2008 bottom of \$1.613. The gasoline price increase from the bottom price removes \$147.3 billion at an annual rate from other consumer spending.

From the 2008 high on July 7 at \$4.114 per gallon to September 6, 2010, gasoline is down -\$1.432 a gallon or -34.81%. From a year ago, gasoline is up 9.4 cents per gallon or 3.63%.

The economic impact of high gasoline prices is self-evident when you consider that a 1 cent increase in a gallon of gasoline is \$1.378 billion dollars on an annual level. With gasoline prices up \$0.094 per gallon from a year ago, the annualized increase in gasoline expenditures is only \$12.95 billion.

Crude oil prices hit a high of \$147.27 a barrel in intraday trading on July 11, 2008 the highest price since trading started in 1983. The price per barrel settled at an all time high of \$145.29 on July 3, 2008.

The current closing low was recorded on December 19, 2008 at \$33.87 a barrel. This is the lowest closing price since February 10, 2004. Crude oil for the October 2010 contract closed at \$76.45 a barrel on September 10, 2010. Crude oil has fallen \$68.84 a barrel or -47.38% from July 3, 2008 but crude oil has risen \$42.58 per barrel or 125.72% from the December 19, 2008 low.

Inflation results were mixed in JULY 2010. The JULY 2010 vs. JULY 2009 increase in restaurant meals was a lower 1.059%, grocery inflation was higher at 0.674%, wholesale food inflation in JULY 2010 was higher at 5.393% and the Consumer Price Index in JULY 2010 was up a higher 1.231%. The Consumer Price Index peaked in JULY 2008 at 5.600%.

The JULY 2010 year to date increase in restaurant meals is 1.246%. For the same period, the increase in food at home is -0.427%. Restaurant meals are up 1.673 percentage points more than grocery inflation.

The consumer price increase year to date through JULY 2010 is 1.943%. Wholesale food inflation year to date through JULY 2010 is up 4.802%.

There is a decreasing difference between the increase in restaurant meals overall and full service restaurant meals and limited service restaurant meals. In JULY 2010, full service restaurant meals were up 1.198% vs. limited service restaurant meals at 0.762%. Year to date through JULY 2009, full service is up 1.276% vs. limited service at 0.846%. These inflation numbers are biased to the low side, as the price index was too high last year.

The Consumer Confidence Index increased slightly in AUGUST 2010 by 2.5 index points to 53.5. The August 2010 Index is -1.0 index points below August 2009. The Present Situation fell -1.5 index points to 24.9 index points, which is -0.5 index points lower than August 2009. The Expectations Index (how people think the economy will perform in February 2011) rose 5.0 index points to 72.5 index points. The August 2010 number is a decrease of -1.3 index points from August 2009. Expectations in August 2009 were 48.4 index points above Present Situation. In August 2010, Expectations exceeded Present Situation by 47.6 index points.

The unemployment rate in AUGUST 2010 was 9.6%, and was up 0.1 percentage points from July 2010. The total number of people working in non-farm jobs was 130,311,000. There was an initial decrease in August 2010 of -54,000 non-farm jobs from July 2010. This is a twenty-two month decline as of October 2009 after fifty-one monthly increases in jobs – starting in September 2003. After a one-month increase in November, the payroll numbers are negative in December 2009, positive in January, in February, in March, April in May, negative in June, negative in July and negative in August 2010.

The payroll numbers are subject to revisions for 2 months after the initial estimate. The initial jobs decrease of June of -125,000 jobs was revised up by -50,000 jobs to -175,000 jobs. The initial jobs decrease of July of -131,000 was revised down by 77,000 jobs to -54,000 jobs. The revised jobs decrease in January 2009 of -779,000 jobs is the peak monthly decline of the current recession.

In August 2010, 14,879,000 persons were unemployed with 6,249,000 persons unemployed for 27 weeks or more, 42.0% of the unemployment total. In August 2009 the percentage was 33.6%. This persistence in long-term unemployment is an increasingly negative pressure on consumer confidence. It is also a structural problem for the fast food sector of the foodservice industry.

In August 2010, manufacturing jobs decreased by -27,000 jobs from July 2010. In the past 12 months seasonally adjusted manufacturing employment has decreased by -3,000 jobs or -0.02%. In August 2010, construction industry employment was up 18,800 jobs from July 2010 and down -274,500 jobs or -4.66% from August 2009. Employment in the service-providing sector – which includes among other sectors, retail trade, services and government – increased by 16,000 jobs. The service-providing sector is up 443,000 jobs or 0.40% in the past 12 months. The service-providing sector accounts for 86.16% of all nonfarm jobs. Retail trade job count was down -4,900 jobs in August. General Merchandise store employment decreased by -4,700 jobs. Food and beverage stores employment increased by 3,300 jobs.

Food services and drinking places employment increased 12,200 jobs in August. In the past 12 months, food services and drinking places employment increased by 14,300 jobs or 0.152%.

Hotels and other lodging places employment increased 5,100 jobs in August. In the past 12 months, hotels and other lodging places employment increased by

24,700 jobs or 1.408%. Professional and technical services' employment increased 12,100 jobs in August and declined -21,800 jobs or -0.292% in the past year.

Temporary help supply agency employment increased by 16,800 jobs in August. In the past 12 months, temporary help supply agency employment increased by 383,000 jobs or 19.34%. Finance, insurance and real estate had a decrease of -4,300 jobs from July. In the past 12 months, finance, insurance and real estate employment decreased by -118,900 jobs or -1.54%.

Amusements, gambling and recreation services fell -6,800 jobs. Health services rose 28,200 jobs from July and 240,500 jobs for the past 12 months or 1.77%. Transportation and warehousing jobs decreased -7,400 jobs from July. In the past 12 months Transportation and Warehousing jobs decreased -16,200 jobs or -0.386%. Government jobs decreased by -121,400 jobs. Federal employment had a decrease of -111,500 jobs from July. State government jobs were down -13,500 jobs. Local government employment increased by 3,600 jobs. Over the past 12 months, local government jobs decreased -170,200 or -1.17%.

Starting in January 2010 there is a new series covering all employees on private nonfarm payrolls vs. production and nonsupervisory employees. Seasonally adjusted hourly earnings for all employees were up \$0.06 in August 2010 at \$22.66. Seasonally adjusted hourly earnings rose 1.70% from August 2009. Seasonally adjusted average weekly earnings were up \$2.05 in August 2010 to \$774.97. Seasonally adjusted average weekly earnings rose 2.91% from August 2009.

Total private non-farm weekly hours worked in August 2010 at 34.2 hours are unchanged from July 2010. Manufacturing average weekly hours worked in August 2010 at 40.2 hours are up 0.1 hours from July 2010. Factory overtime in August 2010 at 3.0 hours is up 0.1 hours from July 2010.

In JULY, 6 of 11 KNAPP-TRACK™ regions – Middle Atlantic, South Atlantic, East North Central, East and part West South Central, West North Central and Pacific Northwest – had positive comparable restaurant sales results. Five of 11 KNAPP-TRACK™ regions had negative comparable restaurant sales results. Nine of 11 regions had better comparable sales results in July than in June 2010. Two of 11 regions – Pacific Northwest West and Texas - had worse comparable sales results in July than in June 2010.

The spread between the high and low regions for comparable restaurant sales in JULY 2010 was 3.6 percentage points vs. the 9.9 percentage points of January 2010, the 7.1 percentage points of February, the 4.9 percentage points of March the 6.4 percentage points of April the 6.0 percentage points of May and the 7.7 percentage points of June 2010.

The best performing region was Middle Atlantic followed by South Atlantic, East North Central, East and part West South Central, and West North Central. These 5 regions had better than or equal comparable restaurant sales results than the national average of 0.9% in JULY. The worst performing region was California followed by Texas, Mountain, Florida, New England and Pacific Northwest.

In JULY, the highest region for comparable sales results was Middle Atlantic. The lowest region was California. The spread between the regions was -3.6 percentage points. The median-concept comparable restaurant sales change was 1.038%. This is 0.157 percentage points better than the July average of 0.881%. In July 2010, 29.5% of KNAPP-TRACK participants had better comparable guest counts than comparable sales. In June 2010, 34.8% of KNAPP-TRACK™ participants had better comparable guest counts than comparable sales. 56.8% of concepts in July had positive comparable sales.

With regard to the 61 ADI TV markets in KNAPP-TRACK™, the spread between the high and low comparable restaurant sales changes in JULY was 9.7 percentage points. The high ADI TV market was Harrisburg, Pennsylvania at

5.2%. The median TV market comparable sales result was Cincinnati, Ohio with a result of 1.0%. The low ADI TV market was Salt Lake City, Utah at -4.5%.

YTD through JULY 2010, for comparable restaurant sales, the top three ADI TV markets were a tie between Colorado Springs, Colorado at 2.2% and Portland, Oregon at 2.2% followed by Grand Rapids, Michigan at 2.0%. The median ADI TV market YTD was Minneapolis, Minnesota at -1.1%. The bottom performing three ADI TV markets were Salt Lake City, Utah at -6.5% followed by Tulsa, Oklahoma at -5.4% and Richmond, Virginia at -4.0%.

Thirty-one of 61 ADI TV markets or 50.8% of the ADI TV markets were at or above the average comparable restaurant sales level of 0.9% for JULY.

With regard to comparable restaurants in JULY, the spread between comparable restaurant sales and guest counts was -2.5 percentage points better for

comparable restaurant sales results. The national average for comparable restaurant guest counts in JULY was -1.6%. One region – Pacific Northwest – had positive guest counts. Ten of 11 regions had negative guest counts. The best performing region for comparable guest counts was Pacific Northwest. The worst performing region was a tie between Texas and California. The spread between the best and worst performing region was -4.1 percentage points.

All restaurant sales in JULY were up 2.2%. All 11 of 11 regions were positive. The spread between all restaurants and comparable restaurants sales was -1.3 percentage points.

All restaurant guest counts in JULY were down -0.4%. Five of 11 regions were positive. Six of 11 regions were negative. The spread between all restaurant sales and guest counts was -2.6 percentage points better for all restaurants sales results. The spread between all restaurants and comparable restaurants guest count gains was -1.2 percentage points.

Comparable restaurant sales changes in 2010 were: 1Q -2.3, 2Q -1.2%

Comparable restaurant guest count changes in 2010 were: 1Q -2.9, 2Q -3.5%

All restaurant sales gains in 2010 were: 1Q -0.9, 2Q 0.1%

All restaurant guest count changes in 2010 were: 1Q -1.5, 2Q -2.3%

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