



## **Schlotzsky's At-A-Glance**

**Business** Since 1971, Schlotzsky's® has been the home of The Original® toasted sandwich. The menu has evolved with customers' tastes to include the highest quality sandwiches, pizzas, salads, and soups available today. With approximately 365 locations worldwide, Schlotzsky's is the fast-casual choice for a quick, healthful, and fresh dining experience.

|                 |                             |                     |
|-----------------|-----------------------------|---------------------|
| <b>Location</b> | 200 Glenridge Point Parkway | 301 Congress Avenue |
|                 | Suite #200                  | Suite #1100         |
|                 | Atlanta, GA 30342           | Austin, TX 78701    |
|                 | P: 404-255-3250             | P: 512-236-3600     |
|                 | F: 404-255-4978             | F: 512-236-3601     |

**Website** [www.schlotzskys.com](http://www.schlotzskys.com)

**Products** Modeled after the muffulettas in New Orleans' French Quarter, The Original® sandwich – Schlotzsky's signature product – features meats, cheeses, lettuce, tomato, olives, and dressing stuffed into hot, freshly-made Fresh-from-Scratch® sourdough buns. Introduced in 1971, The Original was an instant hit at the low price of \$2.95. Fast forward to now, and the company with a funny name has gone from a one-location, one-product shop to a serious hit across the globe with its extensive Fresh-from-Scratch line-up, which now includes paninis, pizzas, wraps, salads, soups, and other items.

**Markets** Schlotzsky's franchise and company owned locations can be found in Washington, D.C. and 35 states: AK, AL, AR, AZ, CA, CO, FL, GA, ID, IL, IN, KS, KY, LA, MI, MN, MO, MS, NC, ND, NE, NM, NV, OH, OK, OR, SC, SD, TN, TX, UT, VA, WA, WI, and WV. International Schlotzsky's franchise locations can be found in China, Costa Rica, Germany, Guatemala, Jordan, South Korea, and Turkey.

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| <b>Key Management</b> | Steve Romaniello<br>Chairman of the Board<br>Roark Capital Group | Russ Umphenour<br>President and CEO<br>FOCUS Brands |
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Kelly Roddy  
President  
Schlotzsky's

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| <b>Media Contact</b> | Jennifer Dempsey<br>Director of Public Relations/<br>Corporate Communications<br>Schlotzsky's<br>Phone: 404-705-2046<br>E-mail: <a href="mailto:jdempsey@focusbrands.com">jdempsey@focusbrands.com</a> | Karen Gailey<br>Manager of Public Relations/<br>Corporate Communications<br>Schlotzsky's<br>Phone: 404-257-7004<br>E-mail: <a href="mailto:kgailey@focusbrands.com">kgailey@focusbrands.com</a> |
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## Schlotzsky's – Company Overview

In 1971, a small shop on South Congress Avenue in Austin, Texas was home to a single, one-of-a-kind sandwich. Don and Delores Dissman opened the first Schlotzsky's with only one product – an 8-inch muffuletta stuffed with three meats, cheeses, lettuce, tomato, olives, and dressing served on hot freshly-made sourdough bread. Modeled after the muffulettas they discovered in an Italian grocery store in New Orleans' French Quarter, the Original® sandwich (at the low price of \$2.95) was an instant hit!

The uniquely named company – called Schlotzsky's for no particular reason – quickly became a favorite in South Austin. Targeting hungry college students, the Dissmans decided to open their second restaurant in Dobie Mall just a few years later. In 1977, the couple began franchising their unique concept, and Schlotzsky's quickly became a Southeast favorite.

By 1981, the company had 100 franchise restaurants. That same year, the Dissmans decided to retire from the sandwich business, so they sold the company to Austin real estate investors, John and Jeff Wooley and Gary Bradley. A year later, Bradley split with the Wooleys in 1982 when Bradley took the real estate business and the Wooleys kept Schlotzsky's.

Under the Wooleys' direction, Schlotzsky's menu expanded to include [panini](#), specialty [pizzas](#), toasted [wraps](#), freshly tossed [salads](#), gourmet [soups](#), and other items. In 1988, Schlotzsky's introduced their Fresh-from-Scratch® products to Canada – the first restaurant outside the U.S. In 1995, the Wooleys took the company [public](#) on December 15, 1995, trading as BUNZ on [NASDAQ](#) until 2004, the same year that Bobby Cox Cos. Inc. came on board. Under new ownership and management, Schlotzsky's spent two years strengthening its franchise operations and reinvigorating the brand. On November 17, 2006, the company was purchased by FOCUS Brands, which has brought stability and continued efforts to expand the brand and clearly define the concept's niche and overall identity.

Today, Schlotzsky's operates approximately 365 franchised and corporate restaurants domestically and abroad as end-cap, drive-thru, stand-alone, in-line, and co-branded locations in high traffic venues such as shopping plazas, malls, food courts and airports. From Texas to Turkey and plenty of places in between, the aroma, quality, and freshness of Schlotzsky's products never change. And thanks to the brand's extensive variety of goods and services, the brand continues to earn well-deserved attention:

- Ranked #138 by *Restaurants & Institutions* magazine in the Top 400 Chains for 2009;
- Proclaimed #75 in *Fast Casual* magazine's Top 100 Movers & Shakers list for 2007;
- Has sponsored the Annual Bun Run, Austin's longest-running 5K that hosts a current average of 5,000 competitive runners and an average of \$50,000 annually for the YMBL Austin Sunshine Camps, since 1982.



### Schlotzsky's – Timeline of Events

- 1971** Don and Delores Dissman open first restaurant, located on South Congress Avenue in Austin, Texas, with only one menu item, a sandwich of three deli meats, three cheeses, lettuce, tomato, onion, black olives, mustard, and garlic butter on a signature, 8 inch diameter sourdough bun, for \$2.95 -- "Just One Sandwich ... It's That Good!"
- 1974** Menu expands to three sandwiches – The Original, Ham & Cheese, and Cheese
- 1977** First Schlotzsky's restaurant franchised in Bryan/College Station, Texas
- 1979** Introduces new "medium" 6 inch sandwich
- 1980** 158 restaurants operating in 14 states
- 1981** John C. Wooley and investors acquire Schlotzsky's from the Dissmans; systemwide sales of \$19 million
- 1982** Wheat bun introduced; redesign of logo and signs; first annual Bun Run<sup>®</sup> 5K Race in Austin, Texas
- 1984** Introduces two new sandwiches – Roast Beef and Turkey Breast; adopted use of steam-injected baking ovens
- 1985** First prototype restaurant opens in San Antonio
- 1986** Two-pass cheese melter heating system introduced
- 1987** Philly sandwich is introduced
- 1988** First international restaurant opens in Canada
- 1991** Deli concept introduced, menu expands to 15 sandwiches, 10 sourdough crust pizzas, and five salads; Jalapeno and Dark Rye buns introduced
- 1992** Schlotzsky's Deli Style Potato Chips introduced; 234 restaurants
- 1995** Begins trading on NASDAQ under the symbol BUNZ; franchisess open in Turkey
- 1996** 25th Anniversary; one-pass cheese melter designated as the conveyor heating system of the future for Schlotzsky's Deli
- 1997** New prototype free-standing restaurant design introduced; grilled chicken breast sandwich and pizzas introduced
- 2005** Acquired by Bobby Cox Companies
- 2006** Celebrates 35<sup>th</sup> anniversary; purchased by FOCUS Brands
- 2007** Company enjoys stability and launch of new expansion efforts under FOCUS Brands; hosts 25<sup>th</sup> Annual Schlotzsky's Bun Run, Austin's longest-running 5k; launches first 3-in-1 product promotion, Angus Beef Round-Up; opens locations co-branded with sister companies Carvel Ice Cream and Cinnabon; runs first online Winning Combination promotion and rewards one lucky winner with \$25,000 a year for life; ranked #75 in *Fast Casual* magazine's Top 100 Movers & Shakers list
- 2008** Holds first-ever online t-shirt design contest for Annual Schlotzsky's Bun Run and awards \$1,000 to winning artist; ranked #142 in *Restaurants & Institutions* magazine's Top 400 Chains list; ranked #94 in *Fast Casual* magazine's Top 100 Movers & Shakers list
- 2009** Ranked #181 in *Entrepreneur* magazine's 2009 Franchise 500; ranked #98 in DiversityBusiness.com's Top 100 Privately-Held Businesses in Texas; ranked #138 in *Restaurant & Institutions* magazine's Top 400 Chains list



## **FOCUS Brands Corporate Governance**

### **Steve Romaniello, CFE**

#### **Chairman of the Board, FOCUS Brands Managing Director, Roark Capital Group**

Steve Romaniello was named Chairman of the Board in November 2008 after serving as president and CEO of FOCUS Brands, majority owner of Carvel, Cinnabon, Schlotzsky's, Moe's, and Seattle's Best Coffee International. Previously, Steve was president and chief operating officer of US Franchise Systems (USFS). Before joining USFS, he was Holiday Inn Worldwide's youngest vice president, responsible for franchise sales in the U.S., Canada and the Caribbean, as well as for the franchise services, support and training for 1,700 hotels in the region operating under the Holiday Inn and Crowne Plaza brands. From 1988 to 1991, he held various positions with Days Inn of America. A native of Stamford, CT and a Tufts University graduate, Romaniello is a member of the Board of Directors of Fast Signs, the leading franchisor in the sign and graphics industry; the International Franchise Association (IFA); the IFA's Diversity Institute; the Atlanta Franchise Alliance; and the Elliot Leadership Institute.

### **Russ Umphenour**

#### **President and CEO, FOCUS Brands**

Russ Umphenour was named president and CEO of FOCUS Brands in November 2008. With over 40 years in the restaurant business, Russ was the founder and CEO of Atlanta-based RTM (*Results Through Motivation*) Restaurant Group from 1973 until 2005. Growing his company from 11 under-performing Arby's restaurants in Georgia and Alabama to 775 locations in 22 states with several different concepts, RTM was sold to Triarc Companies, Inc. (Arby's Restaurant Group) in July 2005. In 1967, Russ began working as a part-time counterperson at Arby's in Flint, MI, and after three months, he was promoted to Night Manager and chose to make Arby's his full-time career. Serving in a variety of positions for various Arby's franchisees, including Area Supervisor, Director of Operations, and Executive Vice President, Russ ventured out on his own in June 1973 and founded RTM. In addition, RTM was also the owner and franchisor of Mrs. Winner's Chicken & Biscuits and Lee's Famous Recipe Chicken with over 250 restaurants. A native of Nebraska, Russ attended Evangel University in Springfield, MO.

### **Kelly Roddy**

#### **President, Schlotzsky's**

Kelly Roddy was named president of Schlotzsky's in December 2007 and joined the company from H-E-B® Grocery Company, a 102-year-old retailer with over 300 locations throughout Texas and Mexico. While at H-E-B, Kelly served as director of sales and marketing and later became director of retail operations. Before his tenure at H-E-B, he was vice president and executive director of new business development for Scholastic Corporation, the renowned national book publisher, distributor, and retailer. Prior to that, he spent eight years with Wal-Mart Stores, Inc. in a variety of positions. Kelly currently serves on several boards of directors, including Baylor's Marketing Board, Hankamer School of Business Board, and the Caritas Board, among others.



**Lenore Krentz**  
**Chief Administrative Officer and CFO**  
**FOCUS Brands**

Lenore Krentz joined FOCUS Brands in November 2004 with the acquisition of Cinnabon and was immediately charged with leading the development of a fully integrated ERP architecture, as well as the transition and conversion of the accounting, finance, and information systems functions. A 20-year veteran of Cinnabon, she was named Chief Administrative Officer and CFO in November 2006; in this role, she oversees the finance, accounting, information systems, legal, franchise administration, and purchasing shared services departments. Prior to joining FOCUS Brands, Lenore was CFO of Cinnabon and led the organization through an era of high leverage, structural reorganizations, and the sale of its founding restaurant division. A native of Vancouver, British Columbia, Lenore holds a Masters of Business Administration degree from the University of Washington. She has been a member of the Georgia Restaurant Association Executive Committee since 2004 and currently serves as the Chair of the GRA. She is also an active member of the Women's Foodservice Forum.

**Greg Regian**  
**Chief Marketing Officer**  
**FOCUS Brands**

Greg Regian came to Schlotzsky's in May 2005 to manage the company's branding and marketing efforts. A Texas Christian University graduate with over 30 years of marketing and advertising experience, Greg has won more than 200 national, regional, and local industry honors through his roles as strategist, executive creative director, and writer, including multiple Clio, Addy, Telly, CTAM, and New York "One Show" awards. Since becoming part of the Schlotzsky's team, he has played an integral role in developing some of the brand's most successful promotions. In his current role, he oversees FOCUS Brands' domestic marketing, brand strategy, and communication efforts. Prior to joining Schlotzsky's and FOCUS Brands, Greg served as chief marketing officer for the Dallas/Fort Worth and Atlanta markets of D.R. Horton, the nation's largest homebuilder. He also owned and operated the largest full-service advertising and public relations company in Fort Worth, TX, with more than \$30 million in annual billings and consistent rankings in *AdWeek* magazine as one of the Top 25 firms in the Southwest.

**Mike Shattuck**  
**President of International**  
**FOCUS Brands**

With nearly 35 years of foodservice experience with multiple brands, Mike Shattuck joined FOCUS A native of Terre Haute, IN, Mike Shattuck has nearly 35 years of foodservice experience with multiple brands, with emphasis on the development and expansion of international operations for the last 25 years. Between launching concepts in over 40 markets and having lived overseas for seven years, Mike has firsthand knowledge of the challenges involved with taking domestic brands international, as well as the successes that can result from concerted efforts to do so. Mike's foodservice career started with Burger Chef in 1974 as a Crew Member, followed by Assistant Restaurant Manager, Restaurant Manager and District Manager. He later worked with Hardee's Food Systems as International Franchise Service Representative, International Franchise Service Consultant, Director of International Operations and Director of New Business Development. Subsequently, he became Director of International Operations for Popeye's Fried Chicken, followed by Director of International Operations for Cinnabon in 2000. He was promoted to Vice President of International Operations in 2002, Senior Vice President of International Operations in 2007 and President of FOCUS Brands International in 2009.