

EXPANSION

Krispy Kreme targets U.S. growth strategy

WINSTON-SALEM, N.C. — Krispy Kreme Doughnuts Inc. is undertaking a U.S. growth strategy after years of focusing abroad, chief executive Jim Morgan told shareholders at an annual meeting. In addition, the chain plans to launch three new signature coffees in September, he said.

The company, which operates or franchises 652 locations, expects to open more than 65 company-owned small shops and has targeted Southeast markets in Raleigh and Charlotte, N.C.; Louisville, Ky.; Columbia, S.C.; and Virginia Beach, Va.

The doughnut chain, based here, turned its finances around in fiscal 2011, as company same-store sales increased 4 percent and it added a net 64 stores. Krispy Kreme also plans to open 30 new stores outside the United States.

This year Krispy Kreme plans to recruit domestic operators, broaden its product line, beef up sales from 11 a.m. to 2 p.m. and extend the shelf life of its products. The new menu op-

tions include three new coffees: a house blend, dark roast and house decaf.

Luby's unveils plans to grow Fuddruckers

HOUSTON — As Luby's Inc. approaches the one-year anniversary of its Fuddruckers acquisition, the company is planning a new, smaller prototype of the burger concept. It is also creating a Fudds Express unit to use in Luby's cafeterias and possibly contract-services locations, as well as installing the first drive-thru location.

In a call with securities an-

a 3,500-square-foot location in downtown Houston and a Fudds Express set for a cafeteria location. The company is looking at 2,500-square-foot versions of Fuddruckers and testing new items such as appetizers, salads and chicken sandwiches.

Luby's, based here, has 56 company-owned Fuddruckers and 127 franchised units, and Pappas said the Fudds Express "is an exciting way to leverage our two brands."

Pappas said Luby's will test its first Fuddruckers drive-thru, although details and a timetable were not given. In 2012 the company plans to open between three and five new corporate Fuddrucker® locations in existing markets, primarily in Texas, and five to 10 new franchise locations.

MENUS

Jack in the Box pulls toys, adds menu items

SAN DIEGO — Jack in the Box, based here, has removed the toys from its kids' meals and

added new options for children while rolling out new menu boards that executives said are easier to navigate and highlight higher-margin items.

Jack in the Box Inc., part of the 2,200-unit chain, said its decision to stop offering toys with kids' meals did not come from outside pressure. Activist groups have become more vocal across the United States, advocating their belief that marketing of fast food to children is associated with rising obesity rates, and legislation in two California counties already has restricted the use of toys in certain kids' meals.

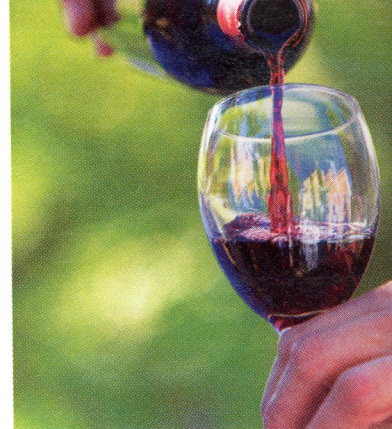
Brian Luscomb, spokesman for Jack in the Box, said the company was aware of efforts to ban toys in kids' meals, but that did not drive our decision. Toys had been a part of kids' meals at Jack in the Box for more than two decades.

"Our advertising and promotions have focused on frequent fast-food customers, not children," he said. "Partners were generally not choosing Jack in the Box as a dining destination because of a toy."

Legislation has passed in San Francisco and Santa Clara counties in California banning the inclusion of toys with kids' meals that do not meet certain nutritional standards. Similar restrictions have been proposed at the state level in California while other states have tentatively moved to block similar legislation.

Jack in the Box also rolled out apple bites with caramel dipping sauce as a kids' meal alternative to French fries.

In addition, the chain in-



THINKSTOCK



alysts, Chris Pappas, Luby's Inc.'s president and chief executive, said two new burger units will be opened by the end of the company's fiscal year in August:

LIABILITIES

Bananas Foster mishap: Should you play with fire?

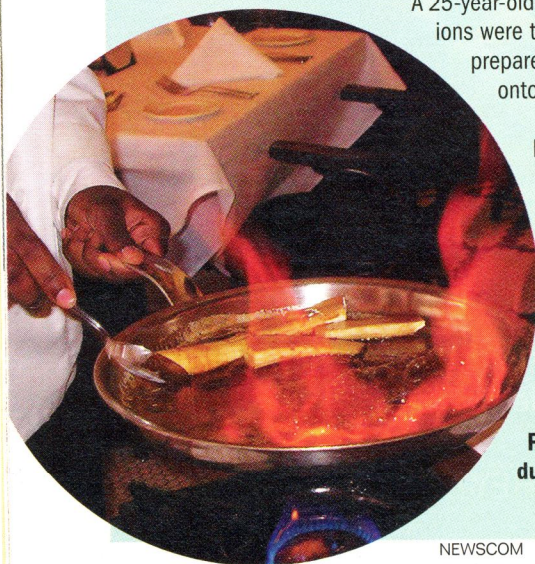
PALM HARBOR, FLA. — A June 11 flaming-dessert mishap at a restaurant here injured four people and raised questions about the wisdom of fiery desserts and drinks.

A 25-year-old woman suffered severe burns, and three of her four dining companions were treated for injuries when 151-proof rum from bananas Foster being prepared tableside at the Ozone Blue Grilling Co. caught fire and spilled onto the customers.

David T. Denney, a Dallas attorney whose practice focuses on food, beverage and hospitality issues, said: "Serving flaming food or drink items is an incredibly bad idea. From cherries jubilee to flaming Dr. Pepper, they all expose the operator to potential liability if there is a mishap.

"One wrong bump, spill, errant sleeve or any other of the innumerable variables in a dining room or bar can change a cool visual effect into a tragedy," Denney said. "If you add 151-proof alcohol to the mix, which often happens, it's even more dangerous."

Four patrons were injured at a Florida restaurant last month during the preparation of the flaming dessert bananas Foster.



NEWSCOM