

## Technomic Examines Growth, Opportunities for Restaurant Franchise Companies

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Restaurant franchise companies (franchisees) are the driving force behind the growth of many restaurant chains in both limited- and full-service sectors. Pizza Hut, Burger King and Applebee's are a few of the many brands that have thrived from franchising.

Franchisees have also been appetizing ventures for private equity and hedge fund investors. Within the last year, several companies were taken over by such firms, including the largest franchisee-NPC International, Inc. by Merrill-Lynch Global Private Equity Group.

A new industry report from foodservice consultants Technomic provides detailed reporting and analysis of the 200 largest restaurant franchise organizations. 'Anyone interested in understanding the franchisee terrain and leveraging opportunities for growth will benefit from this new report,' explains Darren Tristano, Executive Vice President of Technomic Information Services. It explores the leading 200 franchise companies, the brands behind them, unit and sales growth-and outlines trends and opportunities within various regions, restaurant segments and chain brands.

While the scope of the new report encompasses 200 restaurant franchise companies, following are the ten largest organizations.

Top 10 Restaurant Franchise Companies				
Rank	Franchise Company	2006 Sales Estimates (\$000)	% Change	Main Concept
1	NPC International, Inc.	\$651,168	2.4%	Pizza Hut
2	Carrols Restaurant Group, Inc.	379,824	10.3	Burger King
3	Apple American Group LLC	336,732	12.4	Applebee's
4	Briad Group (The)	310,944	-1.9	T.G.I. Friday's
5	Harman Management Corp.	303,825	-6.8	KFC
6	Boddie-Noell Enterprises	297,980	5.2	Hardee's
7	Mason-Harrison-Jarrard	288,610	10.2	Sonic
8	Heartland Food Corp.	287,184	19.7	Burger King
9	ADF Companies	278,404	52.2	Pizza Hut
10	Quality Dining, Inc.	272,476	7.6	Burger King

*Source: Technomic, Inc.*

The fastest-growing franchise companies achieved their growth through both increased average unit volumes as well as through acquisitions. ACF Companies, for example, had the highest sales growth in dollars with a total of \$95.5 million, largely fueled by the purchase of 165 Pizza Hut restaurants that occurred over several transactions during 2006. On a percentage basis, R & L Foods experienced the greatest sales increase, growing an impressive 91.7%.

In addition to detailed reporting on franchise organization composition and performance, as well as menu segment and regional coverage, the 2007 Technomic Top 200 Restaurant Franchise Company Report also provides comprehensive appendices that list the Top 200 restaurant franchise companies alphabetically and by sales, as well as detailed concept listings. A complete listing of franchise company contacts is also provided in the appendix of this report. To purchase or learn more, please visit [www.foodpubs.com](http://www.foodpubs.com).

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