

Hardee's Sells 59 Restaurants as Part of Ongoing Strategic Refranchising

2008-05-01

CKE Restaurants, Inc. (NYSE:CKR) announced today the sale of 59 restaurants as part of its ongoing strategic refranchising program that was originally announced in April, 2007. To date, the Company has sold 195 restaurants to franchisees and secured commitments for 94 new franchise restaurants under development agreements for those markets.

The Company most recently completed the sale of 51 restaurants primarily in the Champaign, IL, Paducah and Louisville, KY markets to MJKL Enterprises Midwest, LLC. The franchisees purchasing the restaurants are Margaret LeVecke, Jason LeVecke and Carl LeVecke. MJKL currently operates 58 Carl's Jr.(R) restaurants in Arizona. With the purchase of these additional restaurants, MJKL now owns 109 restaurants under the Hardee's and Carl's Jr. flags. MJKL has also committed to build a minimum of 35 new Hardee's restaurant locations over the next eight years in these markets.

"We have always been happy to have Carl's Jr. as a part of our family," said franchisee Jason LeVecke. "We are elated to become part of the Hardee's brand and look forward to the future success of the company nationwide."

The Company's president and chief executive officer Andrew F. Puzder commented, "We are very pleased to continue our strategic refranchising program with the sale of 51 restaurants to MJKL Enterprises Midwest, LLC. As the daughter and grandsons of our founder, Carl Karcher, Margaret, Jason and Carl are certainly carrying on the family tradition by operating Carl's Jr. and now Hardee's restaurants. The purchase of these Hardee's units increases their ownership to more than 100 units and further reflects their commitment to the company. This transaction both lowers our capital requirements and increases our free cash flow while allowing us to further concentrate on growing our core markets. We look forward to continuing to secure additional development commitments in our Hardee's markets, and to the brand's continued growth."

Earlier this month, the Company also completed the sale of eight restaurants in the Little Rock, AR market to Saddle Peak LLC. Saddle Peak has also committed to build a minimum of five new Hardee's restaurant locations in the market over the next four years. Both transactions were brokered by Franchise Resale Consultants, LLC, d/b/a Praetorian Group.

As of the end of its fiscal fourth quarter on Jan. 28, 2008, CKE Restaurants, Inc., through its subsidiaries, had a total of 3,083 franchised or company-operated restaurants in 42 states and in 13 countries, including 1,141 Carl's Jr. restaurants and 1,926 Hardee's restaurants.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article32396.html>

© 1998 - 2008 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html