

Restaurant Research's Concept Benchmark Analysis Report

Hardee's

September 2009

Executive Summary

Hardee's continues to make progress transforming into a hybrid traditional breakfast biscuit shop (with breakfast running 45% - 50% in the southeast and 25% - 30% in the Midwest) that also serves as a destination for burgers as indulgent as can be found. Somehow, the brand has been able to hold these very disparate pieces together in an unholy alliance of seniors for breakfast and young, hungry males for lunch and dinner. In any case, Hardee's has been successful at holding the high ground in terms of its premium positioning despite the onset of a devastating economy. This reflects the chain's ability to go behind Madison Avenue's back with local deals on non-signature menu items that keeps Hardee's value in the front and center without diluting its public persona. However, while we expect that the chain will continue undeterred on its path to build upon its premium burger high ground, it is our opinion that the chain's biggest test to this strategy is coming from the new Angus Third Pounder that the Golden Arches will use to sledge its high-end brethren. We expect this will require some zigging and zagging by corporate before they figure out how to make it all work. In conclusion, we respect that Hardee's fundamentals continue to improve despite a tough operating environment which suggests to us that brand leadership is doing something right.

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RR Clients

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Restaurant Research LLC leverages an extensive network of industry players as part of its annual Concept Benchmark Analysis due diligence process for 22 large US restaurant chains. Also, RR tracks store level data for all major chains with system-wide sales in excess of \$1B across all major restaurant segments in order to produce 11 key Industry Data Topic reports. For more information please contact us at info@ChainRestaurantData.com or 203-405-1901.