



## **Dunkin' Brands Signs Exclusive Procurement & Distribution Agreement With Dunkin' Donuts Franchisee-Owned Cooperative**

### **Long-Term, Performance-Based Agreement Offers Financial Savings and Service Improvement Benefits to Franchisees, While Enabling Dunkin' Donuts to Accelerate U.S. Expansion**

CANTON, Mass. and BELLINGHAM, Mass., Jan. 4, 2012 /PRNewswire/ -- Dunkin' Brands, Inc. (Nasdaq: DNKN), the parent company of Dunkin' Donuts and Baskin-Robbins, and National DCP, LLC (NDCP), a Dunkin' Donuts franchisee-owned cooperative, today announced that they had signed a long-term, performance-based agreement for NDCP to be the exclusive supply chain provider for all Dunkin' Donuts restaurants in the continental United States.

(Logo: <http://photos.prnewswire.com/prnh/20110317/NY67297LOGO> )

The agreement, which was effective the first of the year upon the merger of the four existing regional franchisee-owned cooperatives into one national cooperative, offers numerous financial savings and service-improvement benefits to Dunkin' franchisees, including:

- A long-term agreement with Dunkin' Brands for the procurement and distribution of products;
- A more streamlined system that will provide significant future cost-efficiencies for the franchise community;
- A consolidated Cooperative board structure, and;
- Greater consistency in supply and distribution service levels to all U.S. restaurants.

For Dunkin' Brands, the agreement allows the company to realize the benefits of a long-term, performance-based procurement and distribution agreement. Most importantly, the agreement supports the company's domestic expansion plans by providing franchisees in new markets with the same product costs as franchisees in the more highly built-out, established Dunkin' markets. Uniform product costs will be phased in over a three-year period beginning in 2012.

"This agreement is a momentous one for Dunkin' Brands and for existing, new and future Dunkin' Donuts franchisees," said Neil Moses, Dunkin' Brands Chief Financial Officer. "In addition to securing our franchisees' role in the Dunkin' Donuts supply chain, it will result in significant cost savings, a higher level of service, and, in the near term, uniform product costs for franchisees across our domestic restaurant network. This is a huge step forward toward our goal of continuing to drive store-level profitability in newer markets and accelerating the expansion of Dunkin' Donuts across the U.S."

With almost 7,000 Dunkin' Donuts restaurants in the U.S. today, the Company has said it has plans to more than double its current number of restaurants in the U.S. over the next 20 years.

Since the 1970s Dunkin' Brands has utilized franchisee-owned regional distribution centers to supply products to its domestic Dunkin' Donuts franchisees, but the costs of those supplies, historically, would vary depending on the concentration of restaurants and other distribution requirements. Under the new agreement, uniform costs will eventually be charged across the core distribution area so franchisees in areas with fewer restaurants will not pay a premium compared to franchisees in areas with more stores. In return, the Dunkin' Donut franchisee-owned cooperative will be assured that, provided they meet certain performance-based requirements, Dunkin' Brands will use them as the sole procurement and distribution partner for domestic Dunkin' Donuts restaurants.

"We are excited to announce the formation of this new national entity and our long-term agreement with Dunkin' Brands to be the exclusive supply chain provider for all Dunkin' Donuts restaurants in the U.S.," said Kevin Bruce, NDCP Chief Executive Officer. "Our mission is to provide our members — the Dunkin' Donuts franchisees — with the very best purchasing and distribution service in the QSR industry, so that, in turn, they can provide Dunkin' Donuts customers with great coffee, beverages, baked goods and snacks at a great value."

#### **About Dunkin' Brands Group, Inc.**

With more than 16,500 points of distribution in nearly 60 countries worldwide, Dunkin' Brands Group, Inc. (Nasdaq: DNKN) is one of the world's leading franchisors of quick service restaurants (QSR) serving hot and cold coffee and baked goods, as well as hard-serve ice cream. At the end of 2011, Dunkin' Brands' nearly 100 percent franchised business model included more than 10,000 Dunkin' Donuts restaurants and more than 6,400 Baskin-Robbins restaurants. For the full-year 2010, the

company had system-wide sales of approximately \$7.7 billion. Dunkin' Brands Group, Inc. is headquartered in Canton, Mass.

### **Forward-Looking Statements**

Certain statements contained herein are not based on historical fact and are "forward-looking statements" within the meaning of the applicable securities laws and regulations. Generally, these statements can be identified by the use of words such as "anticipate," "believe," "could," "estimate," "expect," "feel," "forecast," "intend," "may," "plan," "potential," "project," "should," "would," and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risk and uncertainties include, but are not limited to: the ongoing level of profitability of franchisees and licensees; changes in working relationship with our franchisees and licensees and the actions of our franchisees and licensees; our master franchisees' relationships with sub-franchisees; the strength of our brand in the markets in which we compete; changes in competition within the quick service restaurant segment of the food industry; changes in consumer behavior resulting from changes in technologies or alternative methods of delivery; economic and political conditions in the countries where we operate; our substantial indebtedness; our ability to protect our intellectual property rights; consumer preferences, spending patterns and demographic trends; the success of our growth strategy and international development; changes in commodity and food prices, particularly coffee, dairy products and sugar, and the other operating costs; shortages of coffee; failure of our network and information technology systems; interruptions or shortages in the supply of products to our franchisees and licensees; inability to recover our capital costs; changes in political, legal, economic or other factors in international markets; termination of a master franchise agreement or contracts with the U.S. military; currency exchange rates; the impact of food borne-illness or food safety issues or adverse public or medial opinions regarding the health effects of consuming our products; our ability to collect royalty payments from our franchisees and licensees; uncertainties relating to litigation; changes in regulatory requirements to our and our franchisees and licensees ability to comply with current or future regulatory requirements; review and audit of certain of our tax returns; the ability of our franchisees and licensees to open new restaurants and keep existing restaurants in operation; our ability to retain key personnel; any inability to protect consumer credit card data and catastrophic events.

Forward-looking statements reflect management's analysis as of the date of this press release. Important factors that could cause actual results to differ materially from our expectations are more fully described in our other filings with the Securities and Exchange Commission, including under the section headed "Risk Factors" in our prospectus filed with the Securities and Exchange Commission on July 27, 2011. Except as required by applicable law, we do not undertake to publicly update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Media Contact(s):**

Karen Raskopf (Media)  
SVP, Corporate Communications  
Dunkin' Brands, Inc.  
[karen.raskopf@dunkinbrands.com](mailto:karen.raskopf@dunkinbrands.com)  
781-737-5200

#### **Investor Relations:**

Stacey Caravella (Investors)  
Director, Investor Relations  
Dunkin' Brands, Inc.  
[stacey.caravella@dunkinbrands.com](mailto:stacey.caravella@dunkinbrands.com)  
781-737-3200

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