



For Immediate Release

With a Successful Rebrand Completed, Daphne's California Greek Announces Franchise Plans to Fuel National Growth

CARLSBAD, Calif. (March 20, 2012) –Just one year after entrepreneur Bill Trefethen bought the ethnic-focused Daphne's Greek Café and transformed it into a successful, lifestyle-oriented concept now renamed Daphne's California Greek, the 56-unit fast casual restaurant chain based in Carlsbad, Calif., today announced new franchising plans to grow the concept nationally.

Over the course of the past year, Trefethen, through his investment firm, Wreath Equity LLC, initiated an aggressive rebranding campaign with a focus on enhancing the guest dining experience while addressing the national trend toward healthier eating. Daphne's revamped menu now features more nourishing and healthful California-inspired Mediterranean fare, while comprehensive store remodels offer a hip, contemporary and fresh feel. Daphne's also invested in the development of an ambitious, customer-engagement program driven by emerging music, cultural icons, responsible business practices such as re-purposing existing and/or sustainable materials for its remodels, and grass roots community support initiatives to drive guest loyalty.

"Daphne's rebranding initiatives stem from a culture of real integrity, which appeals to our expanding group of diners seeking healthful and flavorful options to fuel their active lifestyles," said Bill Trefethen, Daphne's CEO. "We've built our menu around authentically healthier options created with fresh, high-quality and flavorful ingredients that are sourced locally whenever possible. We carried our passion for authenticity and integrity beyond our restaurants and into the community where we support grassroots community organizations and emerging athletes, musicians and artists. We are pleased to see that our efforts have resonated strongly with our guests across the board and we are actively seeking franchising partners who embrace our culture."

“Proof of the rebranding success lies in the continually improving unit economics,” said Shannon Bane, Daphne’s CFO. “The new menu items now account for more than 20% of sales system wide, while the remodeled restaurants are delivering double digit sales growth in the range of 10%-30%.” This success has propelled Daphne’s into the next stage of its strategic turnaround - franchise growth - and Daphne’s is actively seeking franchise partners across the country to grow the chain beyond the Western region. Currently, Daphne’s has 56 locations throughout California, one in Boulder, Colo., and one in Scottsdale, Ariz.

Before the turnaround, Daphne’s demographics skewed higher on income and age where female diners represented more than 50% of its customers. Remodeled stores are seeing a more balanced mix of men and women and a significant increase in youthful diners who have embraced the chain’s metamorphosis as an alternative to the copious and less healthy Mexican, pizza and burger options.

Daphne’s growth strategy relies on organic growth of corporate stores in the company’s core markets and the national franchising strategy, which will target most metropolitan markets and sub-markets that possess demographics consistent with the brand’s target of affluent, educated diners who lead active lifestyles and seek flavorful quality foods “We’re looking for experienced, multi-unit operators who view the fast casual segment as an ideal complement to an existing brand portfolio,” said Trefethen. “Potential franchise partners should be passionate about the restaurant business and understand the unique vision behind Daphne’s authentic experience.”

As a fast casual concept, Daphne’s works well in a variety of location options including strip centers with inline and end-cap venues as well as urban infill locations. The average cost to develop a Daphne’s ranges between \$300,000 – \$500,000.

The menu now includes specialty salads, flatbread pizzas, pita sandwiches (with traditional or multi-grain pita), and grilled seafood complemented with flavorful sides such as a spicy Fire Feta dip, roasted veggies, and savory tabouli. The new multigrain pita bread is a custom recipe created by Daphne’s and contains seven whole grains. More than a dozen new menu items, as well as most of the retained items, fall under 700 calories and can be customized to accommodate low-fat, low-carb, high protein diets as well as vegetarian, vegan and gluten-free diets.

At Daphne’s, the attention is on details and freshness. Salads are prepared to order with freshly chopped vegetables, and the kabobs are hand-made daily. Lean meats and seafood are also grilled to order and gyro meat is slow-roasted for an authentic taste.

“Being authentic means offering a menu that is in tune with today’s full and active lifestyles – one that balances fresh ingredients, healthful preparations, robust and unique flavors and offers the ability to customize to meet individual dietary needs such as vegetarian and gluten-free,” said Trefethen.

In addition to menu enhancements, Trefethen updated the restaurant environment including redesigned interiors with a California-urban feel featuring new art and photography, in-store flat screens showing aspirational sports programming, and contemporary seating including a communal table – all converging to reflect Daphne’s emerging culture.

Daphne’s reinvention extends beyond the restaurant to include a digital and social media-based music program built around new music discovery, a Brand Ambassador initiative, and a local store-marketing program rooted in community support and lifestyle events. These elements combine to create a hip vibe that brings customers back and extends Daphne’s new culture to the community.

The music program was developed to give an eclectic group of emerging independent artists, who span various genres including alternative, rock, singer/songwriter and folk, a multi-platform opportunity to reach new audiences. The program incorporates both internal and external elements, including in-house music and videos, to a streaming radio channel that’s “Always Free, Always On” on Daphne’s website, and an Artist of the Month program with monthly free downloads, special live concerts, and exclusive concert videos.

The Brand Ambassador program launched last year with 11-time world champion Kelly Slater, amateur and professional athletes, popular musical artists such as Donavon Frankenreiter and other cultural icons and rising stars who embrace the Daphne’s lifestyle. The Brand Ambassador campaign integrates closely with the company’s community support-based initiatives that include sponsorship of athletes in a variety of aspirational sports such as surf, snow, climbing, cycling, skate, and volleyball. Daphne’s also sponsors lifestyle and community events such as surf contests, half-marathons, beach volleyball tournaments and art/film/music festivals as well as more localized support of academic and youth sports programs.

“At Daphne’s, we’ve created a concept that we can be proud of,” said Trefethen. “It’s not about being the biggest – it’s about being true to the brand and our guests. We believe there is room in most major metropolitan markets for Daphne’s restaurants. Our goal is to find the right franchise partners with local knowledge who share our vision.”

Daphne’s is privately held and has 56 locations throughout California, Arizona and Colorado.

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