

# THE JOURNAL RECORD

General News

## FreshBerry may emerge as driving force for Tulsa restaurant franchiser

May 21, 2008

TULSA – Even with the success of Camille’s Sidewalk Café, FreshBerry Frozen Yogurt Cafés may soon emerge as a driving force for growth of franchiser Beautiful Brands International of Tulsa.

That’s because FreshBerry offers strong low-cost points for franchisee entry, occupancy, labor and food, said BBI co-founder, President and Chief Executive David Rutkauskas, pointing to factors that give the 1,000-square-foot prototype restaurant an edge in a sector facing fuel and food inflation problems.

Beautiful Brands has announced three franchisees for the all-natural yogurt eatery, who between them will add restaurants this year in Arizona, Nevada, Texas and Tulsa.

“We’re just a few days away from signing one large development operation in Southern California,” he said. “We have another 40 groups in the pipeline for meetings. It wouldn’t surprise me if we had 100 franchises inked by the end of 2008.”

Rutkauskas expects 15 or more to open this year, snowballing to 50 or 60 in 2009.

“We are very ahead of projections for franchising,” he said. “Frozen yogurt’s making a huge comeback. It peaked in the 1980s; it’s been down for 20 years. TCBY and all the competitors ... they’re vulnerable.”

With franchise fees of \$25,000 per shop, and individual store revenue projections ranging from \$600,000 for California to a range of \$350,000 to \$500,000 in Oklahoma, Rutkauskas said the less than one-year-old FreshBerry platform may contribute \$5 million to \$10 million revenue to Beautiful Brands over the next 15 months.

That compares to the potential \$2.5 million revenue he projects BBI’s third platform, Coney Beach, to chip in over that period. BBI is taking a slower, regional rollout of that gourmet hamburger and hot dog concept since it counters the advantages of FreshBerry, namely higher food, labor and occupancy costs. Rutkauskas expects six Coney Beach eateries to open this year, followed by 15 next year.

The powerhouse for BBI remains Camille’s, which he said is going “gangbusters.”

“We open a Camille’s every 10 days somewhere in the world,” said Rutkauskas.

Besides U.S. development deals ranging from airport opportunities to college campuses to Wal-Mart Supercenters, Rutkauskas said the chain is enjoying strong franchisee growth overseas, with 21 opening in Puerto Rico and 15 in the Middle East.

From 117 Camille’s now operating, Rutkauskas expects to add 35 this year and 60 to 70 next year, the new restaurant sales contributing \$20 million or more to the company’s bottom line over the next 15 months.

That would bring Beautiful Brands revenue to range from \$80 million to \$90 million this year, and over \$100 million in 2009.

Rutkauskas said FreshBerry holds the key to reaching that plateau.

“There’s a lot of folks that are telling us it’s going to be triple what we forecast,” he said of FreshBerry franchising, which is drawing interest from existing Camille’s operators. “We might get 600 FreshBerries in Southern California alone.”

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