As communicated in Hot off the Grill on the 12 August, the 2nd annual menu price increase has been moved forward to 19th September instead of 7 November 2011, as originally planned. This decision was taken to manage the price increase on beef we received. The Beef input price increase will be effective in your system from 1st September, however the balance of the Input price increases will go live in the system on 7th November (6 week gain in margin due to earlier menu change in September).
**KEY STOCK ITEMS DRIVING INCREASE**

As per our communication in Hot off the Grill on 12 August, the Beef price unfortunately did not come down as we hoped but rather increased, based on this information along with forecasted increases on stock items from procurement we have taken prices up in order to retain the GP%.

**BELOW IS A SUMMARY OF THE KEY STOCK ITEMS USED TO CALCULATE OUR NEW MENU’S RSP’S.**

* Please take note we did not receive increase on all items and in fact Oil actually came down in price.

* Please note that this price increase was done on forecasted pricing from procurement; therefore there may be differences in the % below when final pricing is received on the 7th Nov.

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>FORECASTED % INCREASE/NO INCREASE USED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MEAT &amp; CHEESE PRODUCTS</strong></td>
<td></td>
</tr>
<tr>
<td>BEEF PATTIES (GENERIC &amp; HALAAL)</td>
<td>15%</td>
</tr>
<tr>
<td>CHICKEN FILLETS (GENERIC &amp; HALAAL)</td>
<td>5%</td>
</tr>
<tr>
<td>RIBS (GENERIC &amp; HALAAL)</td>
<td>5%</td>
</tr>
<tr>
<td>CHEESE SLICES</td>
<td>2.50%</td>
</tr>
<tr>
<td>BACON/MACON</td>
<td>5%</td>
</tr>
<tr>
<td>OIL</td>
<td>-7.13%</td>
</tr>
<tr>
<td><strong>SAUCES</strong></td>
<td></td>
</tr>
<tr>
<td>5L SAUCES</td>
<td>1.5% - 3%</td>
</tr>
<tr>
<td>GUACAMOLE</td>
<td>5%</td>
</tr>
<tr>
<td>LEMON BASTING</td>
<td>0%</td>
</tr>
<tr>
<td><strong>ICE-CREAM</strong></td>
<td></td>
</tr>
<tr>
<td>SOFT SERVE ICE-CREAM</td>
<td>0%</td>
</tr>
<tr>
<td><strong>PACKAGING</strong></td>
<td></td>
</tr>
<tr>
<td>GENERAL PACKAGING</td>
<td>10%</td>
</tr>
<tr>
<td>FOMO 4</td>
<td>4%</td>
</tr>
<tr>
<td>KING STEER BOX</td>
<td>0%</td>
</tr>
<tr>
<td>CHIP BOXES</td>
<td>0%</td>
</tr>
</tbody>
</table>
The objective has always been to give Franchisees, more margin, while still remaining competitive in the market place. This is proving to be a challenge with the increases we have received in the very volatile beef price.

Please see below the average weighted input price and RSP increases that we are proposing and the impact that this has on the theoretical GP%. PLEASE NOTE: This is based on the forecasted cost increases.

- The theoretical GP% has remained flat despite the beef increase.

<table>
<thead>
<tr>
<th>Item</th>
<th>Old RSP</th>
<th>Old GP</th>
<th>New RSP</th>
<th>New GP</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>KING STEER BURGER</td>
<td>R 37.95</td>
<td>56.10%</td>
<td>R 39.95</td>
<td>54.13%</td>
<td>The King Steer has been increased by R2 in order to retain GP, but the price still remains under R40</td>
</tr>
<tr>
<td>KING STEER &amp; MED CHIPS</td>
<td>R 49.95</td>
<td>57.18%</td>
<td>R 49.95</td>
<td>53.57%</td>
<td>The King Steer &amp; Med Chips is one of the best-selling items on the menu. Therefore a strategic decision was taken to hold this price point for another pricing cycle. Remaining under R50 for our best-selling burger &amp; chips.</td>
</tr>
<tr>
<td>RAVE BURGER</td>
<td>R 18.95</td>
<td>58.41%</td>
<td>R 19.95</td>
<td>55.86%</td>
<td>The Rave burger has increased slightly to R19.95, in order retain GP. We feel this is still an acceptable price point below R20 offering consumer good value.</td>
</tr>
<tr>
<td>WACKY WEDNESDAY</td>
<td>R 33.50</td>
<td>48.86%</td>
<td>R 33.95</td>
<td>46.18%</td>
<td>WW has increased marginally, 0.45 c in order to retain GP. The flavour will also change to an old favourite BBQ sauces on either side.</td>
</tr>
<tr>
<td>PLAIN ICE-CREAM CONE</td>
<td>R 3.50</td>
<td>53.22%</td>
<td>3.50</td>
<td>52.67%</td>
<td>The ice-cream cone will remain flat at the strategic price point of R3.50</td>
</tr>
</tbody>
</table>
KEY CHANGES TO SEP MENU

EXCITING BITING CHICKEN BURGERS BECOME PERMANENT

The exciting biting chicken burgers have been well received by customers and as such we have added these as permanent menu items. We have increased them slightly in RSP as the current prices are promotionally discounted.

WACKY WEDNESDAY

We have brought back an old favourite: the BBQ and BBQ

NEW & IMPROVED CHICKEN BURGER

With the introduction of the exciting biting chicken burgers that are on a Portuguese roll. It was decided to place our current chicken burger on a Portuguese roll as well. This helps establish the chicken burger range separately from the rest of our burgers. Therefore, the only change is the new Portuguese & replacement of mixed lettuce.

PLEASE NOTE: All restaurants are required to build any of the Chicken burgers on a seeded bun if a customer requests it.

KING STEER COMBO

We have added a NEW combo: The King Steer + Medium chips +500ml buddy. This offer will help increase ticket value and beverage sales incidence. Please note this is called the King Steer combo. The King Steer and medium chips should no longer be referred to as a combo anymore, but rather as the King Steer and chips.

* DEFINITION: A COMBO is defined as “burger + chips + cold drink”.

Page 4
NEW 500G RIBLET FEAST

The 700g portion of riblets has not been performing as well as expected. We have therefore re-engineered the Riblet feast down to a 500g portion of riblets. This also brings the price point under R100 which makes it more acceptable for consumers.

Please check your ops bulletin for all operational preparation and flow charts for new products

NEW OFFER COMBINATIONS

In order to help drive ticket value as well as help consumers with their choices we have added more combinations:

- Steers Burger & Chips R34.95
- Veggie Burger & Chips R34.95
- Chicken Burger & Chips R34.95
- All the new chicken burgers now also have “single burger only” price points.

ITEMS REMOVED FROM THE MENU

OLD HERO ROLLS

As we are re-launching the Hero rolls and these will be featured in the middle panel, we will remove the current Hero’s off the menu. The new hero rolls will then go back on the menu, becoming permanent when they come off promotion on the 19th Nov.

SPICY TIKKA

As the new exciting biting chicken burgers will be made permanent and the Zesty Peri-Peri exists in this range, we feel there is only place for one spicy chicken variant on the menu. The Spicy Tikka is a low performing chicken burger and the new Zesty Peri-Peri Chicken burger is outperforming the Spicy Tikka. Therefore the Spicy Tikka will be replaced by the Zesty Peri-Peri. The PLU for Spicy Tikka will remain on the system for a month to run out stock.

CHICKEN CHEESE

The current Chicken Cheese burger will be removed to make way for the more exciting chicken flavours but this will also open up an opportunity for cashiers to upsell cheese on the chicken burger.
THE NEW MENU DESIGN

We have tweaked the menu considerably with our main objective to increase the number of options a customer can order i.e. “burger only”, “burger with chips” and “burger, with chips & a cold-drink”. We have also tried to keep all visuals on every format irrespective of the number of panels you have.

KEY CHANGES:

1. Wacky Wednesday and Rave burger form part of the Value panel with Get Real! burgers.
2. New Exciting Biting Chicken burgers added.
4. All New King Steers Burgers added.
5. New King Steer Combo added.
6. Riblet Feast portion changed to a 500g.
7. New BBQ & BBQ Wacky flavour.
8. Chips given more prominent space on 8,7,6 panel layouts.
9. Adding “Extra cheese at R4.50 per slice” on the menu panel.
10. New disclaimers added

SIZE AND APPEARANCE MAY VARY ON ALL MENU ITEMS. RED ONION SUBJECT TO SEASONAL AVAILABILITY. MIGHTY KING STEER ONLY AVAILABLE IN 100% PURE BEEF. ALL PORTION SIZES AT UNCOOKED WEIGHT. ALL COMBOS SERVED WITH SMALL CHIPS (EXCEPT KING STEER COMBO) AND A 500ML BUDDY COKE. ASK FOR YOUR STEERS MENU NUTRITIONAL INFORMATION BOOKLET.

INFO RE MENU PANEL ORDER

In the Steers Network there are currently different numbers of panels per store—as it depends on the size of your store. Currently your store will have anywhere from 3 panels to 8 panels for your menu.

The number of panels is calculated by counting the number of LIGHT-BOXES in your store. These could be the standard square panels or the OLD longer WW panel—this is referred to as a long light box. Duratrans are the printed sheets that you place in these light boxes.

THE ORDER IN WHICH YOU PLACE YOUR DURATRAN IS VERY IMPORTANT.

On the next page you need to identify the layout that equals the number of panels in your store. Look below at the order these are displayed in and match this as best you can in your store.

The position promo panel may differ below to where yours is displayed; regardless of where the promo panel is the order of the other panels must be the same.

Also please note that the last panel will be resized if you have a longer (i.e. old WW light box) last panel.

Please consult with your FM if you are unsure.

If you receive the wrong configuration, please notify reshma@fusiondigital.co.za. Stores that do not notify they have received the wrong configuration within 1 WEEK of receipt will be responsible for the reprint & courier charge cost.
8 PANELS LAYOUT

7 PANELS LAYOUT
6 PANELS LAYOUT

5 PANELS LAYOUT
4 PANELS LAYOUT

3 PANELS LAYOUT
DRIVE THRU
KEY CHANGES

- The Drive-thru panels have been aligned with the look and feel of the Take-Away menus.
- Certain items have been removed to make the panel less busy, such as:
  - Get Real! Burger
  - Veggie Burger
- The special Combo has been removed as this was not performing.
PERSPEX ICE-CREAM HOLDER

Every restaurant will receive an updated branded Ice-cream & Milk-shakes cover for their perspex ice-cream cone holder

- PLEASE NOTE: To apply these, please check with your FM. If applied incorrectly, a replacement cost for your account will apply.

NON-CORE MENU ITEMS

Once again stores that still sell non-core items will receive updated till stands.

GENERIC POSTERS

The restaurants that have extra snapper frames to communicate menu items, will receive Generic Wacky Wednesday and Ice-cream Posters to replace the old ones. Please ensure these are put up and no old RSP are displayed in your store after the 19th September.
GRILLING: 100g STEAK & 100g CHICKEN BREAST

- Please note that as from the 19 September ALL 100g steak and ALL Chicken Breast fillets for burgers, Hero’s, Grills (Diner & En-Route) will be basted with LEMON OIL BASTING during grilling.
- SPARE RIB MARINADE will only be used when grilling RIBS and RIBLETS.

PORTUGUESE BUNS

- ALL chicken burgers appearing on the menu will be served on Portuguese buns: Original Chicken Burger, Tangy Pine, Zesty Peri-Peri, Creamy Mushroom.
- Original Chicken Burger now gets mixed lettuce.
- NOTE: KING Chicken & Prince Chicken burgers are served on Steers seeded buns.

RIBLET FEAST

- The “Riblet Feast” prepped riblet portions change from 700g to 500g uncooked.
- Please re-portion ALL prepped 700g riblets to this new weight standard.

STANDARD BAIN-MARIE LAYOUT

Bear in mind that the above layout will change according to:
- Wacky Wednesdays
- Quiet periods
- Peak periods
- Specific promotions / specials

ALWAYS ENSURE THAT YOUR BAIN MARIE IS CORRECTLY STOCKED ACCORDING TO YOUR RESTAURANTS SPECIFIC VOLUMES & NEEDS.
BBQ WACKY

**INGREDIENTS**
- 1x Steers seeded bun
- 10g Shredded lettuce
- 1x Tomato slice
- 35ml BBQ sauce
- 2g Seasoning salt
- 1x 100g Beef patty

Optional:
(chicken or veg)
Build remains the same

Wrapped with Wacky sticker.
Served with 2x serviettes in a small shopper bag