



THE MARKET

Founded in 1950, Dunkin' Donuts is America's favorite all-day, everyday stop for coffee and baked goods. With more than 10,000 restaurants in 32 countries, Dunkin' Donuts global franchisee-reported sales were approximately \$6.4 billion in 2011. As the number-one retailer of hot and iced coffee in America, the brand is also a market leader in the donut, bagel, breakfast sandwich, and muffin categories.

Enjoying a cup of Dunkin' Donuts coffee is a daily ritual for millions of people. The company serves approximately 1.5 billion cups of hot and iced coffee every year, and Dunkin' Donuts' standards for coffee excellence are among the best in the industry.

Beloved by generations and increasingly recognized by guests around the world, Dunkin' Donuts prides itself on serving consistently high-quality food and beverages that are fast, fresh, and affordably priced. This brand promise, combined with its healthy and profitable franchisee community, should enable Dunkin' Donuts to realize its plans to more than double its U.S. presence, expanding to 15,000 restaurants over the next 20 years.

ACHIEVEMENTS

Dunkin' Donuts believes that its guests deserve the finest, highest-quality coffee in the industry. Taking cues from discriminating wine connoisseurs, the company conducts a "full sensory evaluation" of its Arabica roasted beans. The



as number one for customer loyalty in the coffee category for the sixth consecutive year. The company has also been named one of the Top 10 Franchises for 2012 in *Entrepreneur* magazine, and made a strong showing in its 2012 debut in the American Customer Satisfaction Index (ACSI). According to the 2012 ACSI, Dunkin' Donuts was rated the number-one coffee brand in customer satisfaction among all limited-service restaurants.

Despite having restaurants in only 35 percent of the country, Dunkin' Donuts is the nation's number-one retailer of ready-brewed hot, regular, flavored, decaf, and iced coffee. Dunkin' Donuts coffee is also the number-one-selling premium bagged grocery coffee.

HISTORY

The story of Dunkin' Donuts begins in 1948,

when William Rosenberg opened a donut and coffee restaurant called the Open Kettle in Quincy, Massachusetts. He served premium cups of coffee for ten cents and donuts for five cents. In 1950 Rosenberg renamed the restaurant to Dunkin' Donuts after a brainstorming

session with his team. As his architect enthusiastically reasoned, "What do you do with a donut? You dunk it!"

After the first Dunkin' Donuts franchise opened in 1955, the number of restaurants grew to 100 over the next decade. Just as the number of Dunkin' Donuts locations was expanding, so was the menu. Rosenberg expanded Dunkin' Donuts' offerings beyond donuts and coffee to include Munchkin donut holes and muffins in 1978. Since then, the company has become known for its product innovation and has introduced a wide variety of delicious food and beverages, including iced coffee, freshly baked bagels, breakfast sandwiches, and more.

Rosenberg had a simple philosophy: "Make and serve the freshest, most delicious coffee and donuts quickly and courteously in modern, well-merchandised stores." This philosophy still holds true today and is the foundation that has enabled Dunkin' Donuts to grow into one of the world's most beloved brands. Based in Canton, Massachusetts, Dunkin' Donuts is a subsidiary of Dunkin' Brands Inc., which is also the parent company of sister brand Baskin-Robbins.

THE PRODUCT

Dunkin' Donuts serves "America's Favorite Coffee," as well as a wide variety of delicious food and beverages to keep guests running all day. Dunkin' Donuts coffee is available in ten flavors: French vanilla, hazelnut, caramel, toasted almond, coconut, blueberry, raspberry,



Dunkin' Donuts coffee experts taste an average of 200 cups of coffee each day to ensure that the product always meets its standards for coffee excellence. With attention to detail like this, it's no surprise that the Brand Keys Customer Loyalty Index in 2012 ranked Dunkin' Donuts

mocha, caramel, and cinnamon. All flavorings are sugar-free and contain no preservatives. In 2004, Dunkin' Donuts partnered with Fair Trade USA to begin purchasing Fair Trade Certified coffee for their espresso. Dunkin' Donuts was the first national brand to sell a full line of espresso beverages made exclusively with 100 percent Fair Trade Certified coffee. Along with coffee products, Dunkin' Donuts serves a host of other beverages, including hot chocolate, iced tea, and exclusive Coolatta® frozen drinks.

Dunkin' Donuts also offers guests the ability to choose from a wide variety of "better-for-you" selections. These better-for-you products are marketed as DDSMART®, making it easy for guests to select great-tasting food and beverages that fit their dietary wants and needs. Dunkin' Donuts' DDSMART menu features items such as the Multigrain Bagel, Reduced Fat Blueberry Muffin, Egg & Cheese Wake-Up



Wrap, Veggie Egg White Sandwich, and Latte Lite. All DDSMART items have either fewer calories, less fat, less sugar, or more overall nutritional value than comparable fare.

Dunkin' Donuts has taken special measures to ensure that guests can access their favorite products in a variety of locations beyond the restaurants. For example, in 2011 Dunkin' Donuts launched Dunkin' Donuts K-Cup® portion packs in five popular flavors, making "America's Favorite Coffee" available for use at home with the Keurig Single-Cup Brewing System and at the touch of a button. Dunkin'

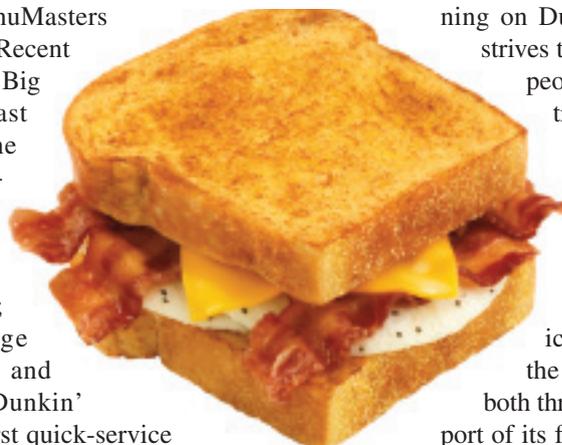


Donuts also has an exclusive partnership with JetBlue Airways, which allows JetBlue customers to enjoy Dunkin' Donuts coffee on-board all flights throughout the Americas. Since the partnership took flight, JetBlue has served its customers more than 28 million cups of Dunkin' Donuts coffee.

RECENT DEVELOPMENTS

Dunkin' Donuts recently assembled a culinary dream team of acclaimed chefs who are dedicated to creating menu choices that meet the evolving needs of guests. The culinary team is led by Chef Stan Frankenthaler, honored by *Nation's Restaurant*

News as the 2012 MenuMasters Innovator of the Year. Recent innovations include the Big N' Toasted™ Breakfast Sandwich, one of the company's most successful limited-time offers ever; Bagel Twists, a portable, easy-to-eat bagel snack; the Smoked Sausage Breakfast Sandwich; and Breakfast Burritos. Dunkin' Donuts was also the first quick-service



restaurant to introduce egg whites. In addition, Dunkin' Donuts became the first major chain to introduce a donut with 0 grams trans-fat, completing a nearly four-year effort to reformulate the brand's entire menu.

PROMOTION

The Dunkin' Donuts brand reflects the characteristics of its guests. Dunkin' Donuts serves high-quality food and beverages for busy people on the go — people who take what they do seriously, without taking themselves too seriously. Dunkin' Donuts' guests perceive themselves as authentic and true to themselves. They take pride in knowing who they are and where they come from; they truly make America run.

This understanding of its guests provided the foundation for Dunkin' Donuts' acclaimed advertising campaign that was introduced in 2006: "America Runs on Dunkin'"®. In 2011, Dunkin' Donuts launched a successful extension of "America Runs on Dunkin'"®, which was anchored by a simple question and answer: "What are you drinkin'?" "I'm drinkin' Dunkin'." The "What are you drinkin'?" ad campaign features "everyday Joes," from construction workers to soccer moms to accountants.

BRAND VALUES

Dunkin' Donuts has a guest-first culture that results in an intense, day-in and day-out focus on keeping guests happily "running on Dunkin'." The company strives to go above and beyond people's expectations of a traditional quick-service restaurant and works to deliver best-in-class items, what the company calls "Quick Quality."

Dunkin' is also dedicated to giving back to the communities it serves, both through the generous support of its franchisees and through its Dunkin' Donuts & Baskin-Robbins Community Foundation (DDBRCF). The DDBRCF funds nonprofit organizations dedicated to providing food for the hungry, safety, and children's health. The DDBRCF has donated more than \$2.5 million to organizations including Feeding America and the USO.

GREEN FOCUS

In addition to caring about the individual communities it serves, Dunkin' Donuts recognizes that it has a responsibility to the planet as a whole. In order to fulfill this responsibility, the company formed a specially targeted Corporate Social Responsibility (CSR) Team. The CSR Team is dedicated to working with groups throughout the company and its franchisees to find, for example, greener ways to build, remodel, and operate its restaurants. In 2008 franchisee Robert Aziz built the first "green" Dunkin' Donuts restaurant in St. Petersburg, Florida, which achieved Leadership in Energy and Environmental Design (LEED) Silver certification. Dunkin' Donuts is also working to increase the amount of renewable and recycled/recyclable materials in their packaging, reduce paper napkin waste, and search for an alternative to the foam cup.

THINGS YOU DIDN'T KNOW ABOUT DUNKIN' DONUTS

- Dunkin' Donuts coffee is brewed fresh every 18 minutes.
- Dunkin' Donuts sells approximately 1.2 billion donuts and Munchkins® donut hole treats every year.
- There are more than 15,000 ways to order your coffee at Dunkin' Donuts.