

NEWS RELEASE

For Immediate Release

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Morpace Reports: Restaurant Dining Declines

FARMINGTON HILLS, MI, February 6, 2009 – Lean times are on the menu for restaurants as economy minded consumers continue to dine out less, according to new Morpace Omnibus survey data. Forty-eight percent of U.S. consumers are eating out less often now than six months ago.

“This consumer retrenchment is significant,” said Kirsten Denyes, Vice President, Morpace Retail Services, “and it indicates more weakness for the restaurant industry.”

“By last September, more than one-third of consumers had reduced restaurant dining -- but now it’s almost half the population,” Denyes added.

Survey participants were asked about various restaurant categories -- whether they are eating at each type more, less or about the same amount compared to six months ago. “All restaurant categories share the pain,” said Denyes, “but higher priced restaurants may be hurt more.”

“About half the patrons of upscale restaurants like Morton’s and Ruth’s Chris, and midscale venues like P.F. Chang’s and California Pizza Kitchen, are dining there less now than six months ago,” Denyes said. “The pullback is slightly less severe at fast casual restaurants such as Panera Bread, Pizza Hut and Qdoba, and at casual restaurants like Applebee’s, Olive Garden and Chili’s. Quick service chains such as McDonald’s, KFC and Taco Bell are declining least – although even at this least expensive level one-third of customers are eating less often.”

To some degree, restaurant goers are trading down -- eating more often at lower cost venues in place of more expensive alternatives. This helps slightly offset declines at casual and quick serve restaurants, Denyes said.

Survey interviews were completed with 1,010 consumers selected from an Internet panel of adults aged 18 and over. The sample reflects the demographic profile of the U.S. population.

About Morpace Inc.

Morpace is a full-service survey research and consulting organization specializing in automotive, financial services, health care, retail and technology. Morpace has global expertise in providing innovative proprietary solutions to clients in four core areas: market definition and segmentation; product development and pricing; brand and image positioning; and customer satisfaction and loyalty.

Established in 1941, Morpace Inc., an ISO 9001:2000 certified organization, is one of the largest privately held marketing research firms in the United States. Headquartered in Farmington Hills, Michigan the company has offices in Irvine, California; New York City; and London, England.