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BUBBA'S RUN
From Cannery Row to the world
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SHARAPOVA WINS
Joins Clijsters in semifinals
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WEDNESDAY

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Monterey
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The Herald

Wednesday, January 24, 2007

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Taste

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family traditions
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THE MONTEREY COUNTY HERALD, WEDNESDAY, JANUARY 24, 2007

The Market

DOW (INDUSTRIAL)	12,532.80	+56.64 ▲
BONDS 10 YR. TREASURY	4.864%	+0.045% ▲
DOLLAR (PER FOREIGN)	¥121.04	+¥.03 ▲
GOLD (PER TROY OZ.)	\$642.50	+\$3.50 ▲
NASDAQ (COMPOSITE)	2,431.41	+0.04 ▲

Monterey County

BUSINESS

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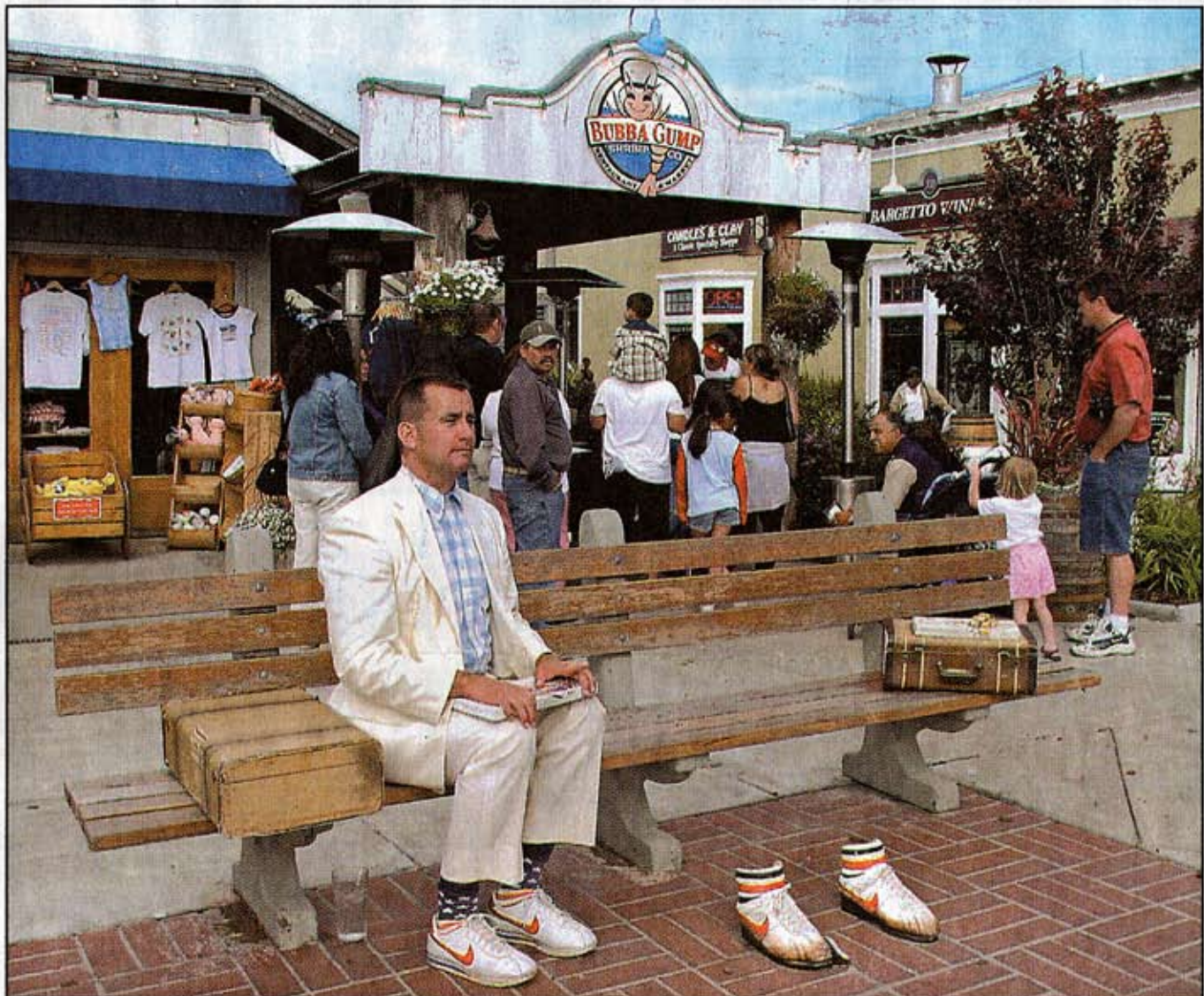
Biz bit

In 2005, U.S. staffing firms
hired 12.1 million employees.
Source: Westaff

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"The name is the man, but the experience brings them back."

— Scott Barnett, Bubba Gump Shrimp Co. president



CLAY PETERSON/Special to The Herald

Steve Webber, impersonating Forrest Gump, welcomes diners at the Bubba Gump Shrimp Co. restaurant on Cannery Row.

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BUBBA GUMP'S KEEPS RUNNING

FROM CANNERY ROW BEGINNINGS, CHAIN SEES BIG FUTURE

By **MARIE VASARI**
Herald Staff Writer

As a restaurant, the Bubba Gump Shrimp Co. is all about a tiny sea creature, cooked every way imaginable, and a movie theme.

Themed around the 1994 film "Forrest Gump," the menu is all about shrimp — steamed shrimp, fried shrimp, shrimp linguini, shrimp scampi, and shrimp as an ingredient in a long list of creative combinations — and the celebration of the six-time Oscar-winning movie through trivia, souvenirs and, of course, boxes of chocolates.

But as a business, the Bubba Gump

Shrimp Co. is all about big plans these days.

Starting with a single restaurant on Cannery Row in 1996, the San Clemente-based company has expanded to a string of restaurants, both company-owned and franchised, spun off from the film.

Initially located in tourist-oriented waterfront locations such as Cannery Row, San Francisco's Pier 39, Lahaina, Hawaii, and Pier 30 in Chicago, these days, Bubba Gump Shrimp Co. has been making a steady march inland. Bubba Gump Shrimp Co. now has 20 restaurants across the U.S. and internationally, including Breckenridge, Colo., Universal CityWalk and Long Beach's Pike Market in Southern

California, as well as international locations such as Bali, Manila, Hong Kong and Tokyo Bay. Nineteen of the company's restaurants are domestically owned or operated as joint ventures, and five international locations — Manila, Hong Kong, Osaka and two locations in Tokyo — are franchised.

"We have very eclectic locations," said President Scott Barnett by phone from corporate headquarters in San Clemente. "It's really a very broad mix. What we look for is high foot traffic where we can do high food volumes and execute to a high

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WWW.

Bubba Gump

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number of people."

This year, the Bubba Gump Shrimp Co. plans to open restaurants in Denver, Anaheim's GardenWalk, Ft. Lauderdale, Fla., Gatlinburg, Tenn., Puerto Vallarta and Cancun.

Earlier this month, the company announced that its board of directors had retained Cowen & Company LLC, to raise capital, and within the next five years the company plans to open as many as 50 additional restaurants around the world.

Building a brand

Bubba Gump Shrimp Co. is the country's only successful casual restaurant chain based on a motion picture, said Barnett. If anyone else has even tried it on a small scale, he's not aware of it.

"I think that what we have set

out to do is build a brand called Bubba Gump Shrimp Co. restaurant," said Barnett, "and I think that we have done a pretty good job of accomplishing that."

And even though it's based on a movie that came out 11 years ago, Bubba Gump Shrimp Co. remains highly successful, with sales of \$140 million in 2006, up from \$125 million in 2005. Over a three-year period, company sales have tripled, and Barnett projects that this year's earnings could reach \$170 million.

Average annual earnings at each restaurant stand at just less than \$8 million, said Barnett, and many individual stores set records in 2006.

Topping the list as the company's highest volume eatery was the company's New York restaurant in Times Square, and a Santa Monica Pier restaurant opened in late 2005 was

expected to generate \$9 million in its first year of operations.

Monterey, the company's flagship store, remains the fifth busiest restaurant in its portfolio.

"It's done very well," said Barnett. "It's never done a down year, and I think we're the busiest restaurant in Monterey."

"They're a very unique concept," said Diane Mandeville, vice president of marketing for the Cannery Row Co. "We've known for some time that Bubba Gump's on Cannery Row is one of the highest grossing Bubba Gumps within the company."

With 3 million to 4 million visitors annually drawn to Cannery Row, the restaurant — in its midst — is well-positioned, successfully attracting tour groups. At a seating capacity of more than 300, it's one of the largest restaurants in the area.

"It's done very well. ... I think we're the busiest restaurant in Monterey."

Scott Barnett
Bubba Gump Shrimp Co. president

"But even with the size of the restaurant, it wouldn't be a great restaurant if they didn't have a great concept that worked," said Mandeville. "It's a great, fun, family restaurant."

The privately held company was originally created under the leadership of Barnett, then-president and CEO of Rusty Pelican Restaurants Inc., who was approached by Paramount Pictures to develop a concept based on Forrest Gump's life, philosophy and love of shrimp.

Name recognition

Barnett said the movie — and its signature restaurant — have enduring qualities, and name recognition remains strong for the restaurants named for a pop culture icon.

"I think 90 percent of America has seen that movie," he said.

But Barnett said it wouldn't matter whether customers had seen the movie or not.

"The name is the man, but the experience brings them

back," said Barnett, who said the focus on creating a fun, casual atmosphere for families translates to a 96 percent intent-to-return rate among customers.

While the initial company plan is to roll out between 35 and 50 new restaurants in five years, Barnett is already looking further into the future.

And what he sees is a whole lot more shrimp shops in a whole lot of new locations, and he's got some pretty clear ideas of where he'd like to see them.

"I think there's room for about 100 restaurants in the United States," he said.

"We're looking very hard in the Caribbean, at least two more locations in Florida," said Barnett. "We'd love to be in San Diego, Phoenix, and a couple more New York units."

He's also got his sights on locations in the Middle East, Asia, the United Kingdom and Europe.

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