

Statement by Allied Domecq Retailing International, Canada Ltd. and Dunkin' Donuts (Canada) Ltd. Regarding Litigation by a Group of Canadian Franchisees

May 21, 2003 -- Dunkin' Donuts and Allied Domecq Quick Service Restaurants have invested millions of dollars over the past few years to support the growth and strength of the Quebec market and of our franchisees. We are saddened to learn of litigation filed and allegations released on behalf of a small minority of these franchisees. We will contest these in court. However, we also feel it is important to set the public record straight.

The litigation filed involves 10 different franchisees, not the 30 franchisees claimed in the statement released by a law firm on their behalf. The litigation involves less than 15% of Dunkin' Donuts Quebec franchisees.

We are proud of our efforts to support all of our Quebec franchisees, and of our efforts to respond with understanding and flexibility to their needs. Those efforts include:

- Generous financial incentives to franchisees to assist with store renovation
- Low-cost guaranteed financing to help their business
- Marketing funds to support store renovation and store openings
- Substantial funding for advertising in Quebec
- Day-to-day training and support for franchisees. The Dunkin' Donuts Canadian headquarters is in Montreal, and, on a per store basis, we have more employees assigned to the market than anywhere else in the world.

A number of Dunkin' Donuts stores have closed due to a variety of circumstances. It is our goal, in Quebec and worldwide, to maintain the highest standards in quality and customer service. Customers deserve no less.

The reality is that the Dunkin' Donuts brand is strong, and interest in it remains strong. Four new Dunkin' Donuts stores have opened just in the past two months in Quebec, and discussions are underway with developers who recognize the role Dunkin' Donuts can play in the lives of Canadians.

While Dunkin' Donuts was born in the United States, its international birthplace was in the province of Quebec. It is our goal to reestablish the brand's leadership in this important province. We will continue to work hand-in-hand with franchisees who respect the brand as we do, and who will work with us as partners to keep modernizing, innovating, and meeting the needs of our consumers.