

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Panera Bread Co. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Jeffrey Farmer – Jefferies & Company

Jeffrey Farmer – Jefferies & Company

I think you touched on this but with retail development down, are you pursuing more conversions than you have in the past, and is there still an opportunity to align your development with big box retailers like Target and the like?

Ronald M. Shaich

I'll take that as one question. I don't know what you mean by conversions, are you referring to conversions of competitors?

Jeffrey Farmer – Jefferies & Company

Existing retail units, they don't have to be restaurants, but any type of again, retail establishment that was there that's sort of pulled out and you've assumed the lease or have converted the unit into a Panera.

Ronald M. Shaich

I'd say it to you this way. I think that for most food concepts and focus food concepts like Panera, where we have a menu and an environment that we execute and we have a fair amount of equipment, basically we need to take an empty shell. We pick up somebody else's restaurant, the equipment package is wrong. The counter structure is wrong.

So, essentially we're open to real estate opportunities, traditionally we're open to real estate opportunities with people that are closing, we're open to real estate opportunities of any kind. So, if there are competitors out there closing and their space meets our needs or we suspect that they'll be closing in the next year or two, we are certainly going to be in touch with the landlords about becoming the new tenant coming in after them.

As well, we will discuss with anybody who is trying to cutback on space and some of the big box retailers certainly are, we'll discuss cutting out a corner, typically at the front of their store, we'll discuss cutting out a corner such that Panera can put its full café in there.

What I'm indicating to you is that, Panera is interested in doing real estate. It's unlikely we're going to pickup somebody else's physical plan and it's also unlikely we're going to do a knockdown version of Panera that doesn't give voice to the concept as an offshoot in a different big box retailer.

Jeffrey Farmer – Jefferies & Company

And just to be clear, the big box opportunities are still there for you, Target's not slowing down to a point where you're having a problem aligning yourself with them?

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.