



FRANCHISE ENQUIRY

We would like to thank you for your enquiry and trust that the information will help in providing you with an overview of the RJ's Famous Rib Steakhouse.



OVERVIEW

RJ's Steakhouse is a value for money, family focused restaurant that has become synonymous with succulent steaks, mouthwatering ribs generously portioned, delicious burgers. Only selected AAA beef cuts which are aged to perfection can be expected from the RJ's Restaurant Group RSA. Seafood and chicken dishes are also available.

RJ's Famous Rib Steakhouse Restaurants offers weekly value added specials to patrons:

- Monday's : Buy any single burger and get another one of absolutely **FREE**
- Tuesday's : Kidz Eat ½ price – one child per dining adult
- Tuesdays : 200g Steak Special – R72.95
- Wednesday's : 400g – R79.95 600g – R99.95 1kg- R119.95
- Wednesday's : Bottomless Ribs – R139.95
- Thursday's : Ladies Day , All Day –Most mains R89.95- free glass of wine
- Silly Sunday Nights : Sunday Nights – Most main meals R89.95
- Sunday Breakfast Buffet : available at selected stores
- Sunday Lunch Buffet : available at selected stores

The “Playzone” – a trademarks of the RJ's Famous Rib Group, has spectacular play areas. Varying from store to store, the Playzone boasts of jumping castles, ferris wheel, trampoline, ball pond, jungle gym and much more. The RJ's Famous Rib Steakhouse, has also introduced a “Toddlerzone” with soft toys and cuddlies for kids up to the age of 5 years old.

RJ's restaurants provide the best venue and great party options which includes party packs, soda, popcorn, candy floss and ice-cream. Kids are guaranteed a unforgettable, fun filled event. The comfortable atmosphere allows patrons to relax, unwind and enjoy their dining experience, while the kids are having fun at the “Playzone”. RJ's restaurants have designated smoking lounges, where one can enjoy a pre-dinner or after dinner drink in elegant comfort.

The friendly ambience, outstanding service and unmistakable brand together with delicious, mouthwatering meals ensures dining at RJ's is a unique, remarkable and memorable experience.

Company Mission

We aim to become a major Franchise Steakhouse in South Africa. This will be achieved through aggressive marketing, product acceptance, public aspirations and the design of a business concept that works for both the franchisor and franchisee. The franchisor will approve of the best suited applicant as franchisee for every site.



Why should you become a franchisee?

If you have a passion or desire to start your own business then franchising is the way to go. Franchising is a wonderful means for an individual to control his/her own business. Operating a franchise will not work if you are not committed, and running the business yourself. It is hard work, but it is extremely rewarding and offers many avenues for growth. Our training and experience will compensate for any lack of knowledge that you may have in running a restaurant.

Why select RJ's?

An RJ's is more than an attractive investment. It also helps you to realize your full potential as an entrepreneur. An RJ's franchise is a blue print for success. RJ's provides you with our know-how and brand image. We become partners in success. Before you become a franchisee in our business, you will have to satisfy us that you have what it takes to be successful. Ultimately it is your talent, your drive and your determination, which ensures success.

RJ's Concept

RJ's Famous Rib Steakhouses and Grill Expresses are a value for money and family orientated, specializing in ribs, steaks, burgers, chicken and fish. RJ's Restaurants are the market leaders in Kwazulu-Natal in terms of our kids' offerings, with amazing inside and outside "Playzones" and "Todderzones" offering the best party options and will soon be sought after throughout the country.

The atmosphere, service, unmistakable logo and the name as well as the secret ingredients are all factors that contribute to success of RJ's as a concept.

WHAT DOES THE FRANCHISE COMPANY PROVIDE

1. Store Design

RJ's provides the detail drawings of the plans for each outlet. All stores are decorated to RJ's specification and standards. We will assist in optimizing store layout to the best use of the available space and because of our purchasing power, we will be able to maximize on discounts from contractors in order to build each store as cost effective as possible. We will assist in acquiring of all equipment, shop fitting via our licensed suppliers and all building contractors. RJ's will provide at the franchisees cost all décor, cylinder light fittings, wall mounted metal wine racks, wall mounted fire wood racks, kidz play equipment, all branded crockery and all staff /management and waitron clothing.



2. Training and staff

RJ's will provide the franchisees complete training for owners, management and staff covering every aspect of running a Steakhouse operation. We will also provide assistance in selection of key employees. We also will assist in training of waitrons and all training will take place prior to opening in an existing store. On-going training will be provided for the duration of the franchise agreement, when necessary at the costs of the franchisee.

Management and key members of staff would be required to train in an existing RJ's outlet 4-6 weeks. The training program will cover all aspects relating to running of an RJ's Restaurant or Grill Express and will include assistance in areas of marketing, administration, industrial relations and food research and development and sound business knowledge.

3. Site Selection

The RJ's group has a wealth of experience and has numerous contacts with developers who assist us in selecting sites, which we believe are well located for our target market and operating environment. We will assist in advising franchising franchisees on respective sites.

4. Lease Negotiation

The management of RJ's Famous Steakhouse Group have many years of experience and with its' contacts, it is in a favorable position to negotiate the best possible lease for the franchisee with the landlord and developers. Part of this process would be to negotiate a landlords' contribution (TI) towards the fixtures and fitting costs.

5. Marketing

RJ's is considered to be a market leader in marketing and advertising in Kwazulu Natal region. Our on-going promotional activities have assisted to boost turnover in each restaurant. We undertake market research on a regular basis and assess our brand's positioning. Ongoing and aggressive marketing will increase market share



6. Projection Management

The franchisor will provide a full detailed set of drawings for outlet for approval from relevant authorities. Facilitate and negotiate all quotes for the entire set-up of restaurants. This will include the building, planning, electrical, ceilings, tiling, shop fitting, kitchen equipment, décor, and opening stock. It will include the assisting of acquiring a liquor license. This would exclude all submission costs. We will do weekly follow-ups on site during the building process to ensure that all spec are adhered to, but will not accept responsibility for supervision of such contractors. This responsibility will rest with the franchisee.

7. Initial Assistance

For any site visits and in order to facilitate meetings to do due-diligence of the Durban CBD and surrounding in KZN, we require an upfront payment of R12 500.00 to cover all costs. For Gauteng R18 000.00 and outside the borders will be R35 000.00. Our suggestion is that in the event of your application for franchise is approved, to facilitate a meeting at our offices introducing you to our brand. Once the site visit is successful and your decision made to apply for the franchise we will forward relevant application forms to you. For this we will require a fee of R12 500.00 inclusive, this will be a non-refundable application fee. The franchisor will within fourteen days reply to this application after he has done all the feasibility study. Should the application be successful, then the R12 500.00/R18 000.00/R35 000.00 will be deducted from the franchise fee.

8. Franchise agreement and franchise fees

A franchise agreement must be signed between yourselves and our company. This is a legally binding agreement and sets the ground rules for our relationship. The initial franchise agreement will run for five years concurrently with the duration of the lease agreement and is renewable, should both parties desire for a further period in line with the renewed period of the lease agreement. All figures are net of VAT

8.1 Franchise agreement

Up front joining fee is payable on signature of this agreement and this agreement will not be honored until all monies are paid in full

8.2 Project Management

This fee has to be paid within 6 weeks of the signed franchise agreement or should the franchisor requests this to be paid prior, based on the progress of the development. Should there be any delays regarding the development of the site the franchisor may request part payment of this figure or may allow an extension in writing confirming this.



8.3 Monthly Royalty

A 5% off net turnover payable on the 7th of the month in arrears, this payment has to reflect into the franchisors' bank account before 15h00 on this day. All late payments will attract a penalty of 20% of your monthly royalties' payable by 15h00 of the 8th of this month

8.4 Monthly Advertising

This contribution will be utilized by the franchisor to market the brand and generic specials on an on-going basis and promote national specials for the applicable period. This fee is also payable by the 7th of each month and the same penalty is applicable as per the royalty, should payment be late.

9. Capital Investment Required

The set-up costs of each store varies according to the size and the allowances provided by the landlords and developers. The total costs of a new restaurant should be between R3.5 million to R4.8 million and a Grill Express between R749k to R1.2 million. We require that you have at least 20% of the capital investment un-encumbered and the balance could be borrowed from a financial institution. Cognizance must be taken of the fact that the set-up cost would include VAT which is refundable by SARS, provision must be made to absorb this in your set-up costs.

We thank you for showing interest in RJ's Steakhouse and we hope that the information provided in this brief introduction will satisfy your interests and should you wish to pursue an interest in the RJ's Restaurant Group (Pty) Ltd, please feel free to contact the franchise office for an introductory meeting.

Andrei "Chuck" Potgieter

Chief Executive Officer

RJ's Famous Rib Steakhouse Group Pty Ltd

chucky@rjskzn.co.za

083 775 3955

086 295 4743 Fax to e-mail

