



CONSUMER DEMAND FOR CEREALITY® DRIVES FASTER-TO-MARKET STRATEGIES WITH LAUNCH OF FRANCHISING AND LICENSING INITIATIVES BEGINNING IN 2006

CEREAL LOVERS NEED NOT ACCEPT ANY IMITATIONS

Chicago, October 31, 2005 — For David Roth and Rick Bacher, the co-founders of Cereality® Cereal Bar & Café, the last 18 months have been an education in what happens when your idea becomes a phenomenon, tapping the *zeitgeist* at just the right moment when all people want to do is talk, write, blog and schmooze about breakfast cereal – and all the ways and times of day to eat it.

A year and a half's worth of worldwide media coverage and online exposure have resulted in a staggering number of emails – in the thousands -- and phone calls directed to Roth and Bacher – people from around the world who would like to invest in, franchise or work for Cereality – many of whom have never even set foot in a Cereality cafe.

“As entrepreneurs, this is a dream come true. As practical business people, we know we must respond to the overwhelming marketplace demand in a very nimble and dynamic fashion,” said David Roth, Cereality’s CEO. “Given our robust IP protection initiatives, it would be highly problematic for anyone other than Cereality to meet the huge demand,” Roth added. “Happily, the need is greater than we previously thought to actively reach the 95% of Americans who enjoy cereal where and when they get the craving.”

Roth noted that whether it’s a café in a financial district, a kiosk at a transportation hub or a remote unit at a major sporting event, Cereality is determined to bring the feeling of “Always Saturday Morning™” to thousands of consumers around the country quickly and in the signature “Cereality way,” with a huge amount of choice.

To that end, Cereality has revved up its timetable to explore potential partnership arrangements with top-notch area developers, other leading retailers and licensing companies and has aligned itself with seasoned industry experts who can “think outside the box” with regard to growth.

As a first step in the franchise process, Cereality has begun to respond to the 5,000-plus inquiries they've received from around the world – to begin to qualify those individuals as potential partners. Later this year, Cereality will then release additional information about franchise opportunities to those who do qualify and post that information on their website.

“We are broadening our original strategy of focusing primarily on street-side cafes and are embarking on a parallel path to meet the overwhelming consumer demand in ways that are non-formulaic and in many cases, truly unique to the quick-serve restaurant category,” said Roth. “We see Cereality as an already ‘big brand,’ not just a potentially ‘big restaurant business.’ And that ‘big brand’ is built on the promise of ‘It’s Always Saturday Morning™,’ which means that any time you come to Cereality, you get the relaxed, homey atmosphere and sensory experience that reminds you of Saturday morning – no matter the day of the week.”

Cereality currently has four units in the marketplace: a café in Chicago’s financial district, just two blocks from the Sears Tower, a café across from the University of Pennsylvania, a kiosk at a travel plaza on the Pennsylvania Turnpike, and the original pilot kiosk at Arizona State University in the Memorial Union Building.

According to Roth, the company has received numerous emails and letters from its customers and other enthusiastic brand supporters and prospective partners, identifying when copycats show up on the scene and rallying for the genuine brand.

“Our response to our friends out there is that Cereality’s defense of its intellectual property against copycats is, and will continue to be, aggressive,” though he says that the company is shifting their attention away from an earlier defense of its pending patents and instead, focusing on the new expansion strategy. However, Roth adds that the company will closely monitor when competitors “put Cereality’s brand components through a copy machine. Straight-out mimicry is just plain bad business and we have trademark protection for that sort of thing.”

About Cereality

Cereality is an exciting new business that breaks the mold of traditional foodservice to bring a unique, highly personal, healthy eating experience to the consumer, entirely focused around brand-name cereals. One of the most compelling aspects of Cereality is that the menu offerings are already famous, with favorite brands from Quaker Oats, Kellogg’s, General Mills and Post.

Customers can choose from more than 30 different cereal varieties, 30 different toppings, a variety of milks (including soy and lactose-free) and choices of hot and cold beverages. The menu also features a wide range of popular signature Cereality blends of cereals, toppings, and mix-ins, known as “Your Cereal. Our Way™” These include many delicious made-to-order varieties of Quaker Oatmeal®.

Yet, these cereals aren't just served in bowls. They're also used in proprietary cereal bars and other homemade bakery items, snack mixes, granolas, parfaits, and smoothies. Customers can also get their own personalized cereal boxes made to order with their favorite combinations. These "My Cereal. My Way™" boxes are perfect gifts to take back home. The unique residential, home kitchen atmosphere is punctuated by familiar brand-name cereal boxes displayed in custom-built kitchen cabinets and pajama-clad Cereologists™ prepare orders to customers' specifications.

For more information about Cereality, go to www.cereality.com. Photos of the various Cereality locations can be provided upon request.

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