



NEWS ALERT

May 21, 2004

Dear Dairy Queen Franchisee,

We are pleased to bring you another issue of our News Alert, keeping you up-to-date and well-informed about our grassroots campaign to protect Franchisees from the threat to their investment in their existing DQ business from IDQ's "Concept Evolution" business model.

Recap of DQOA Activities at Berkshire-Hathaway Annual Meeting

As many of you are aware, Berkshire-Hathaway (parent of IDQ) held its annual shareholders meeting in Omaha, Neb., on May 1. Members of our association were there to help make Berkshire-Hathaway shareholders aware of our cause. The first sign of our presence was a large billboard located on a major freeway near the Qwest Convention Center. The billboard read "Warren, Your Grill is Killing Our Chill. – Your Threatened Franchisees." The billboard remained a presence throughout the weekend and garnered attention from Berkshire-Hathaway, the general public and local media. In addition to the billboard, a sign bearing the same message was placed on the side of a semi-truck and was mobile throughout the weekend, traveling between Qwest Convention Center and the airport.

DQOA also had a presence outside of the Qwest Center on the day of the annual meeting. Representatives of DQOA wore "sandwich board" signs and passed out literature including the Frozen Facts and Franchisee profile story that you received in our last issue. To help reinforce the message that Dairy Queen stores are an American tradition, representatives wore period costumes of "Old America."

Our activities in Omaha attracted the attention of not only Berkshire-Hathaway shareholders, but the media as well. Harris Cooper made the trip to Omaha to conduct interviews with reporters and provide them with constructive, positive information about the threat represented by IDQ's strategy, and constructive suggestions for alternative strategies to keep the DQ brand fresh and up to date without sacrificing Franchisee's equity in their existing stores. He also gave further context surrounding the issues between IDQ and DQOA. Several DQOA directors also were interviewed by members of the media.

We've been tracking the media coverage from our efforts in Omaha. To date we've received more than 24 media stories including, *Omaha World Herald* (see included article), *LATimes.com*, *Boston.com* and *The Salt Lake Tribune*, "All Things Considered" (Minnesota Public Radio), *Nation's Restaurant News* and "Channel 6 News at 10 p.m." (WOWT-TV, Omaha). We're also expecting coverage in the June/July issue of *The Franchise Times*.

Thanks For Support

As you can see, our efforts in Omaha were a success and we plan to continue the effort to protect Dairy Queen Franchisees from being threatened by the destructive business strategies of IDQ, but **we still need your help.**

Thank you to those of you who have called the hotline to voice your support and to offer help with the cause. We also appreciate the emails and letters. You may continue to contact us at (952) 556-5511. Your continued efforts are appreciated and we will be in touch with you again soon to let you know what you can do.

Support DQOA's Efforts by Supporting DQOC

As DQOA continues its mobilization efforts, you can make a real difference by patronizing the DQOC for your product needs. DQOC endorsed products are IDQ-approved and fully comply with the standards and specifications set forth by IDQ. These products provide the franchisee with an alternate source and provide a competitive price market, which immediately improves your bottom line. Purchases of DQOC products enable the competitive edge to exist.

Competition benefits you and all of your fellow DQ Franchisees. When manufacturers, suppliers and distributors have to compete for your business, you are the winner and prices will come down and stay down. For example, as a DQOA/DQOC member Franchisee, you enjoy many benefits including the purchasing power of our multi-supplier co-op. Every member Franchisee purchases goods at a reduced price as compared to the IDQ single-source supplier price thanks to the availability of DQOC products. DQOC is focused on saving every penny possible for its member Franchisees. For example, before the DQOC product was available, IDQ's distributor price for banana split dishes was \$66.07. After the DQOC offered this same product at a price of \$41.10, IDQ dropped its price by \$24.97 per case bringing it down to \$41.10. That didn't happen spontaneously or by coincidence. That \$25 price drop occurred solely because your DQOC brought real competition into the DQ system. That's why you should support and use DQOC.

Member patronage dividends are reason enough to buy from the co-op. DQOA/DQOC Franchisees earn great dividends, making our organization and purchasing model one that benefits your bottom line.

And perhaps now more than ever, your support of the DQOC allows DQOA to have a voice in issues that concern DQ Franchisees.

Signed,

DQOA Board of Directors

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