

GREAT MOMENTS IN AKFCF HISTORY

IMPORTANT MILESTONES AND MEMORABLE DATES IN THE DEVELOPMENT OF THE AKFCF.

1952:

Colonel Harland Sanders sells his Corbin, Ky., restaurant, hits the road and begins his quest to franchise his chicken recipe.



1952:

Pete Harman becomes the first franchisee, helps coin the name "Kentucky Fried Chicken" and begins selling KFC at his full-menu restaurant in Salt Lake City.



1959:

Alaska & Hawaii become the 49th and 50th states.

1957:

Pete Harman develops the "Bucket," and it quickly becomes a KFC packaging icon.



1964:

Colonel Harland Sanders sells his business to John Y. Brown and Jack Massey for \$2 million. Brown begins selling franchises in enormous numbers.



1964-65:

The National Advertising Cooperative forms. Franchisees contribute \$125,000, a figure matched by the franchisor.

1972:

Settlement of the G & K case commits KFC to the NFAC consultative process (now part of the NCAC).

1973:

Northwest Franchisee Association forms.



1965:

Southeastern Franchisee Association formally organizes.



1964-65:

The first free-standing KFC restaurants are built.



1971:

Heublein acquires KFC for \$285 million.



1972:

Caribla KFC Franchisee Association forms.



1974:

Franchisees meet in Little Rock, Ark., to discuss forming a national organization.

1969:

Neil Armstrong & Buzz Aldrin in Apollo XI are the first men to walk on the moon.



1970:

Intel introduced the "microprocessor."

1970s:

Load-compensating computer technology, originally developed to ensure the ability to duplicate the Colonel's recipe around the world, is initiated at KFC restaurants throughout the decade.



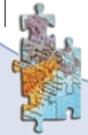
1974:

Upper Midwest Franchisee Association forms.



1974:

Northeast Franchisee Association forms.



1974:

The Association of Kentucky Fried Chicken Franchisees forms. Donald Hines is elected the AKFCF's first president.



Note: These historic dates are drawn primarily from the development of the AKFCF in North America.

1975:
Southwest Franchisee Association forms.



1975:
NFAC leadership forms the Equipment and Supply Committee in response to perceptions that the existing corporate supply system tends to provide overpriced goods and services to franchisees.

1976:
The AKFCF and KFCC reach a precedent-setting standard franchise agreement for all U.S. KFC restaurants, known as the 1976 Franchise Agreement. Some call it the "Magna Carta" of the KFC system.



1975:
Great Lakes Franchisee Association forms.



1975:
Committee formed to negotiate franchise agreement with KFCC leadership.

1977:
KFCC says it will get out of the equipment and supply businesses, paving the way for the KFC National Purchasing Cooperative two years later.

1979:
Franchisees and KFCC form the KFC National Purchasing Cooperative, assuring sustainable, low-cost supplies from independent sources.

1980:
The AKFCF throws a 90th birthday party for the Colonel, donating \$55,000 in his honor to the March of Dimes. A few months later, on Dec. 16, the Colonel passes away in Shelbyville, Ky.



1980:
Franchisee communication gets a lift with the founding of the AKFCF Newsletter.

1982:
R. J. Reynolds purchases Heublein.



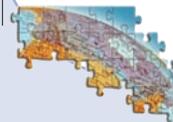
1984:
Southern California Franchisee Association joins the AKFCF.



1989:
In February, franchisees get first notice that PepsiCo wants to unilaterally change the negotiated 1976 Franchise Agreement. After KFCC refuses to bargain, AKFCF leads eight-year federal litigation to protect the negotiated terms.



1989:
Canadian KFC Franchisee Association forms.



1988:
Darlene Pfeiffer becomes the first woman to serve as AKFCF president.



1989:
November 11 & 12 the Berlin wall comes down.

1989:
On Dec. 1, 1989, the AKFCF files suit against PepsiCo, claiming its actions breached the 1976 Franchise Agreement and the 1984 Memorandum of Understanding.



1988:
Darlene Pfeiffer becomes the first woman to serve as AKFCF president.



1987:
KFC opens its first restaurant in China.



1984:
AKFCF, NFAC and KFCC negotiate a Memorandum of Understanding to regulate ancillary agreements in the system.



1986:
PepsiCo purchases KFC from R. J. Reynolds for \$840 million.



1984:
The AKFCF celebrates its 10th anniversary.



1989:

The *AKFCF Newsletter* evolves into the *AKFCF Quarterly*.



1994:

The AKFCF turns 20.



1995:

Franchisees Ben Edwards and Jerry Haynie develop Crispy Strips.

1995:

KFC National Purchasing Co-op negotiates first beverage contract with Pepsi, a two-year deal covering 1996-97.



1997:

The Series 6000 design is implemented. As part of the 1997 settlement, franchisees are given until June 1, 2008 to complete a facilities "renewal upgrade" based on the Series 6000.



1991:



When KFCC decides at the last minute not to sponsor the system's yearly convention, the AKFCF jumps in and puts together its first national convention in Las Vegas. More than 500 franchisees and guests attend.

1992:

World Wide Web was born.

1993:

KFC franchisees from Mexico first meet to discuss forming an association that comes to fruition in 1996 with the establishment of the KFC and Pizza Hut Franchisees Association of Mexico.



1997:

As part of the 1997 settlement, the NAC and the NFAC merge to become the NCAC. Keith Chambers serves as the first vice chair of the NCAC.



2000:

After 23 years, Young & Rubicam is replaced by BBDO as advertising agency for KFC.



1999:

KFC Beverage Subcommittee forms under the NCAC. As part of new beverage contract with Pepsi, AKFCF receives 5 cents for every gallon purchased to support national and regional meetings.



1999:

Fred Bauer awarded the First Shinning Star Award and AKFCF President's Award.

1998:

The KFC National Purchasing Cooperative reunites with PepsiCo and its brands to create the Unified Foodservice Purchasing Cooperative.



1997:

Litigation settlement forces PepsiCo and KFCC to drop imposed changes to the franchisee contract, ending an eight-year struggle with the AKFCF over franchisee rights. The 1997 settlement strengthens the 1976 Franchise Agreement. PepsiCo immediately announces the spin-off of its restaurants into what was originally called Tricon.



2002:

Multibranding heats up as Long John Silver's and A&W All American Food join KFC, Pizza Hut and Taco Bell under the Tricon umbrella. Three-Concept Council provides forum for franchisees to discuss common interests.

2002:

The Kids Laptop Meal is introduced.

2002:

Tricon Global Restaurants changes its name to Yum! Brands, Inc.



2003:

Footo Cone & Belding is named KFC's new advertising agency, triggering "You Gotta KFC What's Cookin'" campaign.

2003:

Franchisee reps from A&W and LJS join their counterparts from KFC, Pizza Hut and Taco Bell on the (now) Five Concept Council.

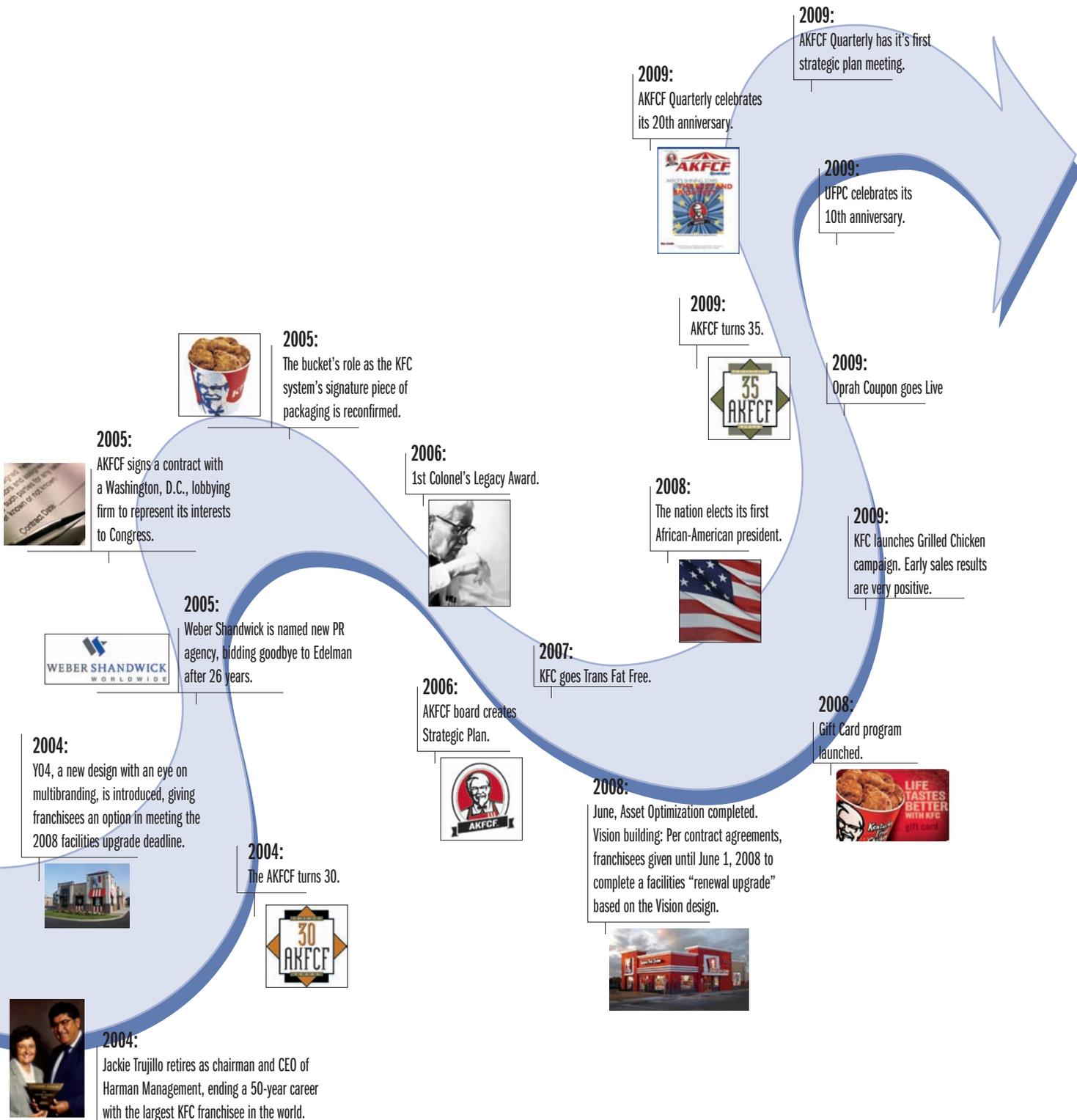


2004:

The International Association of Kentucky Fried Chicken Franchisees forms.

GREAT MOMENTS IN AKFCF HISTORY

THE GREATEST INDEPENDENT FRANCHISEE ASSOCIATION IN THE WORLD.



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