

CHUCK E. CHEESE'S

OPERATION STATEMENT

CEC ENTERTAINMENT, INC.

CHUCK E. CHEESE'S RESTAURANTS

COMPANY OPERATED 512 in 44 states
 14 in Canada

526 Total

Privately Held by:

Queso Holdings, Inc.

2014 Revenues in excess of \$832,000,000.

RECEIVED
MAY 04 2015
PLANNING & COMMUNITY
DEVELOPMENT DEPARTMENT

CEC ENTERTAINMENT, INC.

TYPE OF OPERATION

CEC Entertainment, Inc. owns and operates the Chuck E. Cheese's pizza restaurants. This is a pizza restaurant and family entertainment center, serving lunch and dinner. The menu includes pizza, sandwiches, salad bar, soft drinks, beer and wine. For family entertainment, the restaurant offers kiddie rides, arcade games, skill games, video-skill games and a computer controlled animated character, which sing songs and tell jokes and stories. The restaurant will have 90 to 130 coin operated games and rides, most of which will be ticket – dispensing.

HOURS OF OPERATION

(Hours may vary in some areas)

Sunday through Thursday from 11:00 AM to 9:00 PM

Friday from 11:00 AM to 10:00 PM

Saturday from 10:00 AM to 10:00 PM

Peak hours of operation are Friday evenings and weekends

CLIENTELE

Chuck E. Cheese's restaurants are family oriented. Our operation is geared to appeal to families with children 1 to 11 years of age. Children under 18 are not allowed into the facility unless they are accompanied by a parent or guardian. A large part of our business is catering children's birthday parties.

STAFFING

The restaurants employ two (2) to five (5) managers and one (1) technician plus approximately forty (40) to sixty (60) hourly employees. During all hours of operation, at least one manager is on duty. At all times, there is a manager on duty who is at least 21 years of age.

EQUIPMENT & SPECIAL FEATURES

The facility utilizes kitchen and cooking equipment, tables, booths and dispersing equipment in connection with food and beverage service. There is an area devoted to children with kiddie rides and free play elements. There is a family area with arcade/skill games, and a dining room with a computer controlled animated character performing at set intervals from a stage area. There is also a small gift shop area in the restaurant.

OUR BUSINESS

A restaurant and entertainment center for families with children under 12.

- * 98% awareness
- * About 50% present customers
- * 96% customers bring children under 12
- * 80% have children under 6
- * Average child age 5.4 years

Average group size (non party) 2.5 kids + 1.9 adults for a total of 4.4 people per group.
Birthday Parties are approximately 15% of total revenues.

REVENUES

- * 65% food and beverage
- * 35% rides and games

MENU

- * Pizza
- * Sandwiches
- * Salad Bar
- * Dessert
- * Soft drinks
- * Beer and Wine

LOCAL EMPLOYEES

LOCAL RESTAURANT MANAGEMENT

LOCAL DISTRICT AND REGIONAL SUPERVISORS

KEY CONSUMER BENEFITS

- * Food and Beverage
- * Rides (coin operated)
- * Games (coin operated)
- * Animated Show
- * Tickets/prizes
- * Kiddie free play element (Sky Tubes)
- * Walk around character

BEER & WINE

Beer and wine sales are less than 3% of gross sales.

Our surveys show that 20% to 25% of the adults are having a glass of beer or wine with their pizza.

We serve it as an accommodation and because our adult guests request it.

Served by glass – no pitchers

Beer sales are low profile – no advertising

Beer glasses – clear plastic 12 oz. and 20 oz.

Wine glasses – clear plastic – 8 oz.

**ONE ALCOHOLIC BEVERAGE PER PERSON WITH ID
PER TRIP TO ORDER COUNTER**

TWO (2) DRINK MAXIMUM PER RESTAURANT VISIT