

Panera Bread Company

S&P Recommendation **HOLD** **H H H H H**

Price
\$169.52 (as of Dec 13, 2013)

12-Mo. Target Price
\$180.00

Investment Style
Mid-Cap Growth

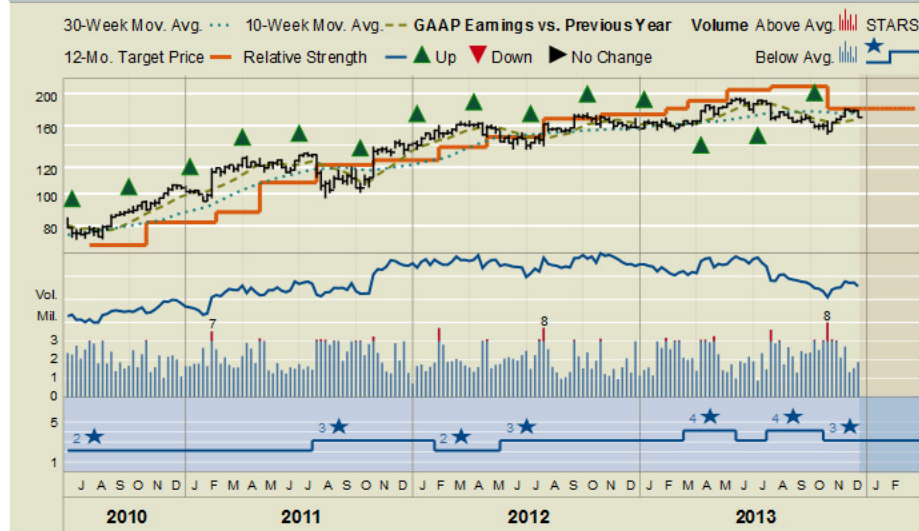
GICS Sector Consumer Discretionary
Sub-Industry Restaurants

Summary This company owns or franchises about 1,730 bakery-cafes under the Panera Bread, Saint Louis Bread Co. and Paradise Bakery & Cafe names.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$194.77– 150.33	S&P Oper. EPS 2013E	6.78	Market Capitalization(B)	\$4.873	Beta	0.78
Trailing 12-Month EPS	\$6.61	S&P Oper. EPS 2014E	7.50	Yield (%)	Nil	S&P 3-Yr. Proj. EPS CAGR(%)	15
Trailing 12-Month P/E	25.7	P/E on S&P Oper. EPS 2013E	25.0	Dividend Rate/Share	Nil		
\$10K Invested 5 Yrs Ago	\$33,568	Common Shares Outstg. (M)	28.7	Institutional Ownership (%)	81		

Price Performance



Qualitative Risk Assessment

LOW **MEDIUM** **HIGH**

Our risk assessment reflects our view that the large, quick-service operators, along with other sandwich shops such as Subway, have significantly upgraded their menu offerings in competition with PNRA, while casual dining operators have increased their promotional pricing in response to slow traffic, with the company caught in the middle.

Quantitative Evaluations

S&P Quality Ranking **B+**

D **C** **B-** **B** **B+** **A-** **A** **A+**

Relative Strength Rank **MODERATE**

52
LOWEST - 1 HIGHEST - 99

Options: ASE, CB, OE, P, Ph

Analysis prepared by Equity Analyst **Jim Yin, CFA** on Oct 24, 2013, when the stock traded at **\$153.15**.

Highlights

- We expect total sales to rise 7.9% in 2014, following 12% growth projected for 2013. We see comparable-store sales rising 1.5% in 2014, down from 2.5% seen for 2013, with the average check rising 2.0%, but the number of transactions falling 0.5%. We think sales will be aided by new menu items and price increases to partially offset higher food input costs. Additionally, we expect PNRA to open about 120 new stores system-wide in 2014.
- We see operating margins of 13.5% in 2014, up from 13.2% seen for 2013, driven by higher franchise revenues. We think PNRA can effectively handle rising food costs through modest price increases. We also believe labor costs will decline as a percentage of revenues on improved productivity and economies of scale. However, we project higher market expenses in 2014, as PNRA promotes its new menu items.
- We estimate EPS of \$6.78 and \$7.50 for 2013 and 2014, respectively, compared to \$5.89 in 2012. The increases we forecast reflect our outlook for higher revenues and fewer shares outstanding as a result of PNRA's share repurchase program.

Investment Rationale/Risk

- We recently lowered our recommendation to hold, from buy, on weak same-store sales growth. Industry traffic has fallen recently due to cautious consumer spending amid a slow economic recovery and a government shut-down. While PNRA has grown faster than the overall industry, we see increased competition in the fast casual segment from new entrants. We think PNRA needs to increase marketing expenses in order to distinguish itself. We also project slower growth in its catering services due to capacity constraints.
- Risks to our recommendation and target price include a slowdown in the U.S. economy, including weakness in the housing market and the jobs market, resulting in lower consumer confidence and decreased spending.
- Our 12-month target price of \$180 is based on our relative analysis. We apply a 24X multiple to our 2014 EPS estimate of \$7.50. This multiple is higher than most of PNRA's peers, given our view of the company's long-term growth potential despite our concern about near-term competitive pressure.

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2013	561.8	589.0	572.5	--	--
2012	498.6	530.6	529.3	571.6	2,130
2011	422.1	451.1	453.1	495.8	1,822
2010	364.2	378.1	372.0	428.2	1,542
2009	320.7	330.8	335.0	367.0	1,353
2008	305.0	320.9	315.2	357.8	1,299

Earnings Per Share (\$)	1Q	2Q	3Q	4Q	Year
2013	1.64	1.74	1.48	E1.92	E6.78
2012	1.40	1.50	1.24	1.75	5.89
2011	1.09	1.18	0.97	1.31	4.55
2010	0.82	0.85	0.75	1.21	3.62
2009	0.57	0.65	0.61	0.95	2.78
2008	0.41	0.52	0.45	0.84	2.22

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data

No cash dividends have been paid.

Panera Bread Company

Business Summary October 24, 2013

The Panera Bread Co. operates and franchises bakery-cafes that feature organic and all-natural products extensively on the menu. As of year-end 2012, PNRA had 1,652 company-owned or franchised bakery-cafes operating as Saint Louis Bread Co. in the St. Louis and Atlanta areas, and as Panera Bread in all other markets, including 69 bakery-cafes through wholly owned Paradise Bakery & Cafe, Inc.

The bakery-cafes specialize in high-quality food for breakfast and lunch, including fresh-baked goods, sandwiches, soups, salads, coffees and other beverages. The bakery-cafes are mainly located in suburban, strip mall and regional mall locations. Fresh dough is supplied to system restaurants through company-owned commissaries.

Target customers include suburban dwellers and workers who want a higher-quality and more esthetically pleasing breakfast and lunch experience than is typical at fast food restaurants. The company's menu focuses on foods in the following categories: fresh-baked goods (bagels, specialty and sourdough breads, croissants, muffins, scones, rolls, sweet goods); made-to-order sandwiches on freshly baked breads; soups and salads; and custom-roasted coffees and cafe beverages, such as espresso and cappuccino.

The company aims to make its bakery-cafe concept a nationally recognized brand name, and hopes to reap the economic benefits that a strong brand name offers. PNRA believes its concept has tremendous growth potential in suburban markets, and thinks this can be realized through company and franchise efforts.

PNRA has been experiencing substantial growth. Systemwide same-store sales rose 5.7% in 2012, driven by a small increase in the number of transactions and about 5% growth in the average ticket. A major contributing factor in the increase of the average ticket was its catering business, which accounted about 8% of its revenues in 2012 and had an average ticket of \$130-\$150.

Expansion ticked up in 2011 and 2012, after slowing over the past few years. The company added 123 locations in 2012, compared to 112 in 2011. In 2012, the company opened 59 bakery-cafes and its franchisees opened 64. PNRA plans to add 115-125 new restaurants in 2013.

In addition to comparable sales at units open for at least 18 months, Panera reports average weekly sales (AWS) for its cafes by the year in which the location opened. In 2012, system-wide average weekly sales were \$46,676, compared to \$44,313 in 2011, \$42,852 in 2010, \$39,926 in 2009, and \$39,239 in 2008.

PNRA maintains what we view as a conservative capital structure. During 2007, 2008 and 2009, as the company reduced its expansion program from historical levels, it used approximately \$80 million of cash to repurchase about 2.3 million shares of its common stock. In 2011, PNRA retired about 1.5 million shares. On August 23, 2012, PNRA's board approved a new three year share repurchase program, allowing the company to buy back up to \$600 million of its Class A common stock.

Corporate Information

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Officers

Chrmn & CEO

R.M. Shaich

EVP & CFO

R.C. Matthews, Jr.

Vice Chrmn

W.W. Moreton

SVP, Secy & General Counsel

S.G. Blair

COO & EVP

C.J. Chapman, III

Board Members

D. Colasacco

F. K. Foulkes

L. J. Franklin

D. Hessian

T. E. Lynch

W. W. Moreton

R. M. Shaich

Domicile

Delaware

Founded

1981

Employees

36,300

Stockholders

1,252

Panera Bread Company

Quantitative Evaluations						
S&P Fair Value Rank	2+ <table border="1"><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr></table> LOWEST HIGHEST Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).	1	2	3	4	5
1	2	3	4	5		
Fair Value Calculation	\$154.50 Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that PNRA is slightly overvalued by \$15.02 or 8.9%.					
Investability Quotient Percentile	<table border="1"><tr><td colspan="2">94</td></tr></table> LOWEST - 1 HIGHEST - 100 PNRA scored higher than 94% of all companies for which an S&P Report is available.	94				
94						
Volatility	<table border="1"><tr><td>LOW</td><td>AVERAGE</td><td>HIGH</td></tr></table>	LOW	AVERAGE	HIGH		
LOW	AVERAGE	HIGH				
Technical Evaluation	BULLISH Since November, 2013, the technical indicators for PNRA have been BULLISH.					
Insider Activity	<table border="1"><tr><td>UNFAVORABLE</td><td>NEUTRAL</td><td>FAVORABLE</td></tr></table>	UNFAVORABLE	NEUTRAL	FAVORABLE		
UNFAVORABLE	NEUTRAL	FAVORABLE				

Expanded Ratio Analysis				
	2012	2011	2010	2009
Price/Sales	2.20	2.32	2.03	1.53
Price/EBITDA	12.51	14.16	12.42	9.83
Price/Pretax Income	16.53	19.24	17.37	14.82
P/E Ratio	26.97	31.11	28.04	24.10
Avg. Diluted Shares Outstg (M)	29.5	29.9	30.9	31.0

Figures based on calendar year-end price

Key Growth Rates and Averages				
Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	16.91	16.50	14.06	21.05
Net Income	27.58	25.86	25.28	19.59

Ratio Analysis (Annual Avg.)				
Net Margin (%)	8.14	7.61	6.88	7.01
% LT Debt to Capitalization	Nil	Nil	Nil	1.79
Return on Equity (%)	23.49	NA	NA	NA

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tangible Book Value	20.96	16.46	15.18	15.81	12.78	10.75	10.51	8.49	6.76	5.43
Cash Flow	8.98	7.22	5.83	4.95	4.43	3.59	3.21	2.69	2.08	1.65
Earnings	5.89	4.55	3.62	2.78	2.22	1.79	1.84	1.65	1.25	1.01
S&P Core Earnings	5.89	4.65	3.62	2.75	2.27	1.78	1.84	1.52	1.15	0.92
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	175.26	145.46	106.87	68.94	65.00	62.78	75.88	72.65	45.14	47.79
Prices:Low	135.15	94.62	64.89	42.30	30.60	33.33	46.25	39.00	32.35	24.55
P/E Ratio:High	30	32	30	25	29	35	41	44	36	47
P/E Ratio:Low	23	21	18	15	14	19	25	24	26	24

Income Statement Analysis (Million \$)										
Revenue	2,130	1,822	1,542	1,353	1,299	1,067	829	640	479	356
Operating Income	374	299	252	211	184	148	135	114	87.1	69.4
Depreciation	90.9	79.9	68.7	67.2	67.2	57.9	44.2	33.0	25.3	19.5
Interest Expense	1.08	0.82	0.68	0.70	1.61	0.48	0.09	0.05	0.02	0.05
Pretax Income	283	220	180	140	110	88.5	92.7	82.2	61.1	48.6
Effective Tax Rate	38.7%	38.2%	38.1%	37.9%	37.5%	35.5%	36.5%	36.5%	36.3%	36.2%
Net Income	173	136	112	86.1	67.4	57.5	58.8	52.2	38.6	30.6
S&P Core Earnings	173	139	112	85.2	69.0	57.1	58.8	46.8	34.6	28.0

Balance Sheet & Other Financial Data (Million \$)										
Cash	297	223	229	246	77.1	91.4	52.1	24.5	29.6	42.4
Current Assets	479	353	331	322	138	152	128	103	58.2	70.9
Total Assets	1,268	1,027	925	837	674	699	543	438	325	246
Current Liabilities	278	238	212	142	114	128	110	86.9	55.7	44.8
Long Term Debt	Nil	Nil	Nil	NA	Nil	75.0	Nil	Nil	Nil	Nil
Common Equity	822	655	596	597	495	446	398	317	241	196
Total Capital	822	655	596	597	499	523	398	322	247	200
Capital Expenditures	152	108	82.2	54.7	63.2	124	109	82.1	80.4	41.2
Cash Flow	264	216	180	153	135	115	103	85.2	63.9	50.1
Current Ratio	1.7	1.5	1.6	2.3	1.2	1.2	1.2	1.2	1.0	1.6
% Long Term Debt of Capitalization	Nil	Nil	Nil	Nil	Nil	14.3	Nil	Nil	Nil	Nil
% Net Income of Revenue	8.1	7.5	7.2	6.4	5.2	5.4	7.1	8.2	8.1	8.6
% Return on Assets	15.1	NA	NA	NA	9.8	9.3	12.0	13.7	13.3	14.1
% Return on Equity	23.5	NA	NA	NA	14.3	13.6	16.5	18.7	17.7	17.5

Panera Bread Company



Sub-Industry Outlook

Our fundamental outlook for the restaurants sub-industry is neutral. We project low-single-digit same-store sales growth in 2014. We think the U.S. economy will expand at a sluggish pace. Nonfarm payroll employment has been rising, but below the 200,000 per month that we think is needed to keep up with the population increase. Consumers have been cautious, and have been trading down or dining out less often, in particular during the weekdays. We project slower traffic for casual dining restaurants, while we think fast food and fast-casual dining restaurants will be less affected.

For the full-service restaurant segment, we project flat same-store sales for the next 12 months. We think traffic will fall about 1.0% as fewer people dine out. We also think they will likely purchase lower-priced menu items instead of higher-priced fare. We believe this factor is partially offset by overall higher prices, however. Thus, we expect the average ticket price to remain fairly constant. We also believe this segment of the restaurant industry will benefit less from faster growth in emerging countries. In our coverage universe, full-service restaurant companies have a higher percentage of their restaurants located in the U.S.

For the quick-service restaurant segment, we project same-store sales to rise 2%-3% for the next 12 months, as we believe consumers will trade down from eating out at full-service outfits. We see incremental growth, as some quick-service restaurants are adding breakfast food to their menus. We see further growth opportunities in international markets, in particular China, with Yum! Brands, McDonald's, and Starbucks opening more stores in that country.

The restaurant industry has been hit by higher food and paper costs in the past year, resulting in lower

operating margins, as restaurants absorbed most of the higher input costs due to a weak economy. We think the impact of higher input costs will lessen in the next few quarters, as commodity price inflation has slowed down recently. Still, we think restaurants will have difficulty raising their prices.

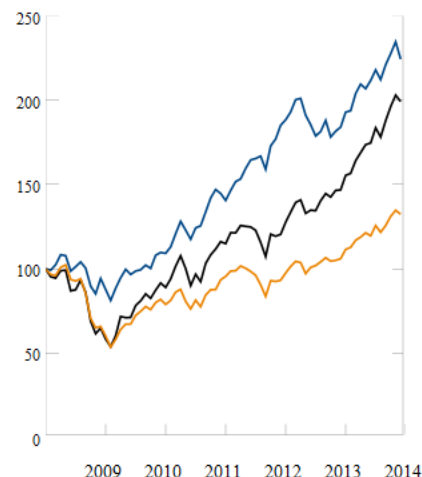
Year to date through November 29, the S&P Restaurants Index was up 27.5%, versus a 27.1% increase for the S&P 1500 Index. In 2012, the sub-industry index declined 0.6%, versus a 13.7% increase for the S&P 1500.

--Jim Yin, CFA

Stock Performance

GICS Sector: Consumer Discretionary
Sub-Industry: Restaurants

Based on S&P 1500 Indexes
Month-end Price Performance as of 11/29/13



Sub-Industry Sector S&P 1500

NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Restaurants Peer Group*: Fast-food - Smaller

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Panera Bread'A'	PNRA	4,873	169.52	194.77/150.33	0.78	Nil	26	154.50	B+	94	8.1	NA
Cosi Inc	COSI	24	1.35	3.92/1.30	1.87	Nil	NM	NA	C	2	NM	NA
Einstein Noah Restaurant Grp	BAGL	265	15.09	18.30/11.45	1.50	3.4	21	NA	B-	19	3.0	80.2
Krispy Kreme Doughnuts	KKD	1,228	18.04	26.63/9.05	1.95	Nil	53	18.10	B-	70	4.8	8.3
Morgan's Foods	MRFD	12	3.05	4.55/1.55	2.37	Nil	NM	NA	C	1	NM	104.3
Red Robin Gourmet Burgers	RRGB	1,047	71.79	86.83/33.62	1.62	Nil	33	58.20	B	90	2.9	29.1
Sonic Corp	SONC	1,228	20.25	21.48/9.87	1.46	Nil	32	13.70	B	88	6.8	83.4
Wendy's Co	WEN	3,278	8.37	9.51/4.60	0.98	2.4	84	7.30	B-	28	0.2	42.0

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Panera Bread Company

S&P Analyst Research Notes and other Company News

November 5, 2013

On October 29, 2013, In connection with the appointment of Mark Wooldridge, the Chief Accounting Officer of Panera Bread Company, as Controller, the Compensation and Management Development Committee of the Board of Directors of the Company, approved an increase in Mr. Wooldridge's annual base salary from \$175,100 to \$200,000, effective November 6, 2013.

October 23, 2013

UP 0.00 to 162.44... PNRA posts \$1.48 vs. \$1.24 Q3 EPS on 8% revenue rise. For Q4, target range lowered to \$1.91-\$1.97, from previous range of \$2.05-\$2.11. Narrows '13 EPS range to \$6.77-\$6.83. Says Q4 target reflects both previously disclosed incremental investments to provide greater access for customers and to improve the co.'s core enterprise systems, as well as incremental investments to enhance its operational capabilities in our bakery-cafes.

October 23, 2013

10:31 am ET ... PANERA BREAD COMPANY (PNRA 153.30) DOWN 9.14, PANERA BREAD (PNRA) POSTS Q3. WUNDERLICH CUTS ESTS, REITERATES BUY... Analyst Robert Derrington tells salesforce believes PNRA will likely not prove immune to recent weak industry trends. Lowers his \$6.84/\$7.75 '13/'14 EPS ests to \$6.75/\$7.60. But, he believes mgmt is in early stages of laying the "innovation" foundation for next 5 years increase in SSS and EPS, a fact he believes the Street will recognized in months ahead. As that happens, believes confidence in co.'s plan will rise as SSS and EPS visibility improves. As that occurs, believes memories of soft op. trends will begin to fade, supporting new \$205 tgt (was \$212). S.Trombino

October 23, 2013

09:23 am ET ... S&P CAPITAL IQ LOWERS OPINION ON SHARES OF PANERA BREAD TO HOLD FROM BUY (PNRA 162.44***): We cut our '13 EPS estimate \$0.00 to \$6.78, '14's by \$0.57 to \$7.50, and our target price by \$30 to \$180, applying a lower peer-premium 24X multiple to our '14 estimate. Q3 EPS of \$1.48, vs. \$1.24, beats our \$1.40 estimate due to \$0.13 one-time tax gains. Same-store sales rose just 1.7%. Despite fewer transactions, PNRA cited capacity constraints for its weak sales growth and plans to increase investments in cafe throughput. We project low-single digit sales growth and higher marketing expenses in 2014, reflecting more competition in the fast casual and catering segments. /J. Yin, CFA

September 30, 2013

DOWN 5.49 to 158.54... Morgan Stanley reportedly downgrades PNRA to equal weight from overweight.

July 24, 2013

PNRA posts \$1.74 vs. \$1.50 Q2 EPS on 11% higher total revenue. Capital IQ consensus forecast is \$1.77. For 2013 new bakery-cafe openings expected to be at or above the high-end of target range of 115 to 125. Revises 2013 EPS target range revised to \$6.75 to \$6.85. Capital IQ consensus forecast is \$7.03.

July 24, 2013

02:46 pm ET ... PANERA BREAD CO. (PNRA 168.75) DOWN 13.26, PANERA BREAD (PNRA) Q2 DISAPPOINTS. RAYMOND JAMES KEEPS UNDERPERFORM... Analyst Bryan Elliott tells salesforce PNRA reported disappointing sales and EPS. Says the EPS miss was caused by a sharp slowdown in comp sales in recent weeks, which has impacted much of the restaurant industry and was the basis for his group downgrade last week. Notes Q3 EPS guidance is for growth of 6%-10%, well below trend line and published estimates. Says the disappointing sales just released from a bellwether like PNRA does not bode well for NT stock trends in the restaurant space. S.Trombino

July 24, 2013

11:20 am ET ... S&P MAINTAINS BUY OPINION ON SHARES OF PANERA BREAD (PNRA 168.64***): We cut our '13 EPS estimate \$0.17 to \$6.87, '14's by \$0.15 to \$8.07, and our target price by \$5 to \$210, applying a peer-premium 26X multiple to our '14 EPS estimate. Q2 EPS of \$1.74, vs. \$1.50, missed our \$1.77 estimates. Same-store sales rose 3.7%, but were below our projection. PNRA saw slower sales growth in June, which continued into July. We believe the weakness is systemic to the industry, and remain optimistic that conditions will improve. We think the fast casual segment will outpace the overall industry, and that PNRA has a significant long-term growth opportunity. /J. Yin, CFA

July 23, 2013

09:31 am ET ... S&P RAISES OPINION ON SHARES OF PANERA BREAD TO BUY FROM HOLD (PNRA 186.67***): We raise our '13 EPS estimate \$0.02 to \$7.04, '14's by \$0.01 to \$8.22, and our target price by \$10 to \$215, applying a peer-premium 26X multiple to our '14 EPS estimate. We raise our '13 same-store forecast to 5.1% from 4.7%. Although industry traffic is down, we see strength in the fast casual market segment. We think PNRA has ability to raise it menu prices, and we project higher average check size, driven by continued growth in its catering services. We believe the company will increase its pace of share repurchases, given its cash balance of \$323M at the end of Q1. /J. Yin, CFA

June 4, 2013

01:29 pm ET ... S&P LOWERS OPINION ON SHARES OF PANERA BREAD TO HOLD FROM BUY, ON VALUATION (PNRA 192.73***): We keep our EPS estimates of \$7.02 and \$8.21 for '13 and '14, respectively, and our target price at \$205, by applying a peer-premium 25X multiple to our '14 EPS estimate. We see less upside following a significant price gain. Although overall industry sales improved recently, we still see a challenging sales environment due to higher payroll taxes. Despite an improving U.S. economy, we think traffic will be down slightly this year. We believe PNRA will outperform the overall industry given the strength of its catering business, but see near-term macro headwinds. /J. Yin, CFA

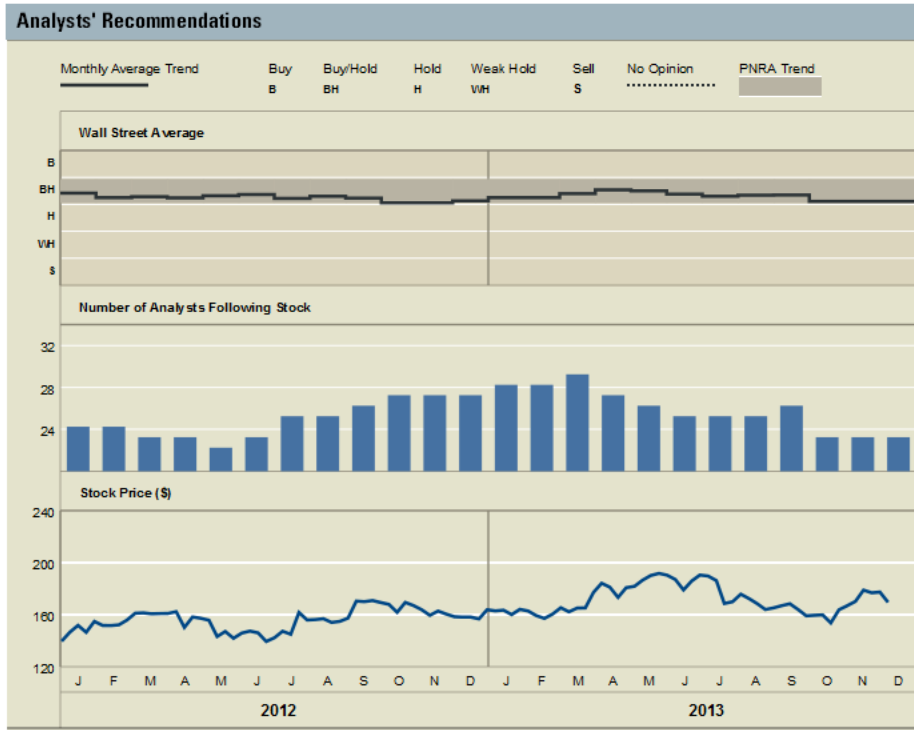
May 16, 2013

01:52 pm ET ... S&P REITERATES BUY OPINION ON SHARES OF PANERA BREAD (PNRA 184.5***): We raise our '13 EPS estimate \$0.02 to \$7.02, '14's by \$0.08 to \$8.21, and our target price by \$15 to \$205, by applying a peer-premium 25X multiple to our '14 EPS estimate. We believe PNRA will increase its pace of share repurchases, given its cash balance of \$323M at the end of Q1. Industry sales have improved recently. According to the latest NRN-MillerPulse survey, industry same-store sales rose 2.9% in April, compared to a 0.3% decline in February and a 1.3% increase in March. We think PNRA will outperform its peers due to strength in its catering business. /J. Yin, CFA

April 24, 2013

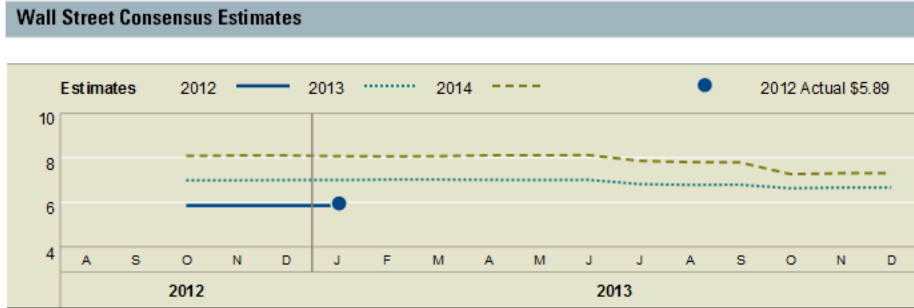
PNRA posts \$1.64 vs. \$1.40 Q1 EPS on 13% revenue rise. Capital IQ consensus forecast is \$1.65 EPS, \$565.98M revenue (vs. reported \$561.78M). For Q2, expects EPS to be in the range of between \$1.74-\$1.78. Announces that President, Co-CEO Bill Moreton will transition to Executive Vice Chairman, and Co-CEO Ron Shaich to become sole CEO again effective August 1, 2013.

Panera Bread Company



Of the total 33 companies following PNRA, 24 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	7	29	7	10
Buy/Hold	2	8	2	4
Hold	12	50	12	10
Weak Hold	2	8	2	2
Sell	0	0	0	0
No Opinion	1	4	1	1
Total	24	100	24	27



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2014	7.34	8.00	7.00	24	23.1
2013	6.69	6.81	6.61	24	25.3
2014 vs. 2013	▲ 10%	▲ 17%	▲ 6%	0%	▼ -9%
Q4'14	2.09	2.32	1.94	17	81.1
Q4'13	1.94	1.97	1.91	23	87.4
Q4'14 vs. Q4'13	▲ 8%	▲ 18%	▲ 2%	▼ -26%	▼ -7%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- Over 30 firms follow this stock; not all firms are displayed.
- BMO Capital Markets, U.S. Equity Research
 - Barclays
 - BofA Merrill Lynch
 - Buckingham Research Group Inc.
 - Cowen and Company, LLC
 - D.A. Davidson & Co.
 - Deutsche Bank
 - Goldman Sachs
 - JP Morgan
 - Jefferies LLC
 - KeyBanc Capital Markets Inc.
 - Lazard Capital Markets
 - Longbow Research LLC
 - Miller Tabak & Co., LLC
 - Morgan Keegan & Company
 - Morgan Stanley
 - Morningstar Inc.
 - Northcoast Research
 - Oppenheimer & Co. Inc.
 - Piper Jaffray Companies
 - Raymond James & Associates
 - Robert W. Baird & Co.
 - S&P Capital IQ Equity Research
 - Sterne Agee & Leach Inc.
 - Stifel, Nicolaus & Co., Inc.
 - SunTrust Robinson Humphrey, Inc.
 - Susquehanna Financial Group, LLP
 - Telsey Advisory Group LLC
 - Tiburon Research Group
 - Wedbush Securities Inc.

Wall Street Consensus vs. Performance

For fiscal year 2013, analysts estimate that PNRA will earn \$6.69. For the 3rd quarter of fiscal year 2013, PNRA announced earnings per share of \$1.48, representing 22% of the total annual estimate. For fiscal year 2014, analysts estimate that PNRA's earnings per share will grow by 10% to \$7.34.

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Glossary

S&P STARS

Since January 1, 1987, S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, S&P Capital IQ Equity Research has used STARS® methodology to rank Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12 Month Target Price

The S&P Capital IQ equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P Capital IQ EPS Estimates

S&P Capital IQ earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P Capital IQ EPS estimates reflect either forecasts of S&P Capital IQ equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to S&P Capital IQ Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings

S&P Capital IQ Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the S&P Capital IQ definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment

The S&P Capital IQ equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P Capital IQ U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P Capital IQ analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P Capital IQ analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking (also known as S&P Earnings & Dividend Rankings)

Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's Earnings and Dividend Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B- Below Average
A High	C Lower
A- Above Average	D Lowest
B+ Average	NR In Reorganization
B Below Average	

S&P Fair Value Rank

Using S&P Capital IQ's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P Capital IQ's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P Capital IQ proprietary measures.

S&P's IQ Rationale

Panera Bread A'

	Raw Score	Max Value
Proprietary S&P Measures	20	115
Technical Indicators	25	40
Liquidity/Volatility Measures	20	20
Quantitative Measures	62	75
IQ Total	127	250

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P Capital IQ's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

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Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P Capital IQ's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by S&P Capital IQ in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type

ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TS - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

S&P Capital IQ Equity Research

S&P Capital IQ Equity Research U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes McGraw-Hill Financial Singapore Pte. Limited's offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Capital IQ Equity Research Reports

CAGR - Compound Annual Growth Rate
 CAPEX - Capital Expenditures
 CY - Calendar Year
 DCF - Discounted Cash Flow
 DDM - Dividend Discount Model
 EBIT - Earnings Before Interest and Taxes
 EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
 EPS - Earnings Per Share
 EV - Enterprise Value
 FCF - Free Cash Flow
 FFO - Funds From Operations
 FY - Fiscal Year
 P/E - Price/Earnings
 P/NAV - Price to Net Asset Value
 PEG Ratio - P/E-to-Growth Ratio
 PV - Present Value
 R&D - Research & Development
 ROCE - Return on Capital Employed
 ROE - Return on Equity
 ROI - Return on Investment
 ROIC - Return on Invested Capital
 ROA - Return on Assets
 SG&A - Selling, General & Administrative Expenses
 SOTP - Sum-of-The-Parts
 WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

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S&P Capital IQ Global STARS Distribution as of September 30, 2013

Ranking	North America	Europe	Asia	Global
Buy	36.5%	33.5%	32.3%	35.6%
Hold	54.2%	43.5%	59.5%	53.1%
Sell	9.3%	23.0%	8.2%	11.3%
Total	100%	100%	100%	100%

5-STARs (Strong Buy): Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

4-STARs (Buy): Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

3-STARs (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

2-STARs (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain.

1-STARs (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

For All Regions:

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S&P Capital IQ Global Quantitative Model Recommendations Distribution as of September 30, 2013

Ranking	North America	Europe	Asia	Global
Buy	40.0%	36.0%	56.4%	46.7%
Hold	20.0%	24.0%	18.0%	20.0%
Sell	40.0%	40.0%	25.6%	33.3%
Total	100%	100%	100%	100%

Trade Detector Recommendations Distribution as of March 31, 2013

The Trade Detector research report was published after March 31, 2013. Ranking distributions will be provided as of June 30, 2013.

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