Additional Information and Where to Find It
This communication relates to the proposed merger involving Panera Bread Company ("Panera") and JAB Holdings B.V., Rye Parent Corp. ("Rye Corp.") and Rye Merger Sub, Inc. In connection with the proposed merger, Panera and Rye Corp. intend to file relevant materials with the Securities and Exchange Commission (the "SEC"), including Panera's proxy statement on Schedule 14A (the "Proxy Statement"). This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, and is not a substitute for the Proxy Statement or any other document that Panera may file with the SEC or send to its stockholders in connection with the proposed merger. STOCKHOLDERS OF PANERA ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, http://www.sec.gov and Panera stockholders will receive information at an appropriate time on how to obtain transaction-related documents for free from Panera.

Participants in the Solicitation
Panera, Rye Corp. and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Common Stock in respect of the proposed merger. Information about the directors and executive officers of Panera is set forth in the proxy statement for Panera's 2016 Annual Meeting of stockholders, which was filed with the SEC on April 15, 2016, and in Panera's Annual Report on Form 10-K for the fiscal year ended December 27, 2016, which was filed with the SEC on February 22, 2017. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement and other relevant materials to be filed with the SEC in respect of the proposed transaction when they become available.

Cautionary Statements Regarding Forward-Looking Information
Certain statements contained in this communication and in our public disclosures, whether written or oral, relating to future events or our future performance, including any discussion, expressed or implied, regarding our anticipated growth, operating results, future earnings per share, plans, objectives, the impact of our investments in sales-building initiatives and operational capabilities on future sales and earnings, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are often identified by the words "believe," "positioned," "estimate," "project," "target," "plan," "goal," "assumption," "continue," "intend," "expect," "future," "anticipate," and other similar expressions, whether in the negative or the affirmative, that are not statements of historical fact.

These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict, and you should not place undue reliance on our forward-looking statements. Our actual results and timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to: the risk that Panera's shareholders do not approve the merger; uncertainties as to the timing of the merger; the conditions to the completion of the merger may not be satisfied, or the regulatory approvals required for the merger may not be obtained on the terms expected or on the anticipated schedule; the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the merger; the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement; the effect of the announcement or pendency of the merger on Panera's business relationships, operating results, and business generally; risks that the merger disrupts current plans and operations of Panera and potential difficulties in Panera's employee retention as a result of the merger; risks related to diverting management's attention from Panera's ongoing business operations; the outcome of any legal proceedings that may be instituted against Panera related to the merger agreement or the merger; the amount of the costs, fees, expenses and other charges related to the merger; and other factors discussed from time to time in our reports filed with the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 27, 2016. All forward-looking statements and the internal projections and beliefs upon which we base our expectations included in this release are made only as of the date of this release and may change. While we may elect to update forward-looking statements at some point in the future, we expressly disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Panera deal satisfies founder as JAB forks out the dough

Corporate person in the news

Ron Shaich

Founder, Panera Bread

Ron Shaich says that the sale to the privately-held owner of Krispy Kreme will allow the company to focus on accelerating the rollout of its delivery service — Peter Foley/Bloomberg

Ron Shaich insists that there was no "For Sale" sign over Panera Bread, the company he founded and runs, when JAB Holding made a takeover approach for the bakery chain, a bid that was cemented in a deal this week worth $7.5bn.

"Deals like this don't come every day. I wasn't out looking for it," Mr Shaich tells the Financial Times, declining to say whether other companies were vying to buy Panera.

But a sale to privately-held JAB and delisting Panera in the process make a lot of sense, says the 63-year-old chairman and chief.

"Increasingly, public markets are short-term. I don't believe our public markets are best served by maximising profits for tomorrow. It's far better to figure out the medium and long term. The time to deal with a heart attack is not on the way to hospital."

The sale to JAB, which owns a growing list of US coffee shops and bakeries, including hipster joint Stumptown and doughnut chain Krispy Kreme, will enable Panera to do just that.

The sale should allow it to focus squarely on accelerating the rollout of its delivery service, expanding its 2,000-strong bakery chain in the US and determining its future strategy.

Despite his reservations about the short-term mindset of capital markets, Panera's listing has yielded huge returns for Mr Shaich and his investors.

'The time to deal with a heart attack is not on the way to hospital'

Panera's roots lie in the combination of Au Bon Pain and Saint Louis Bread Company, which was listed in 1991. Mr Shaich sold off most of ABP's business in 1999 and renamed the business company Panera. The shares have quintupled in value over the past two decades.

As of a December filing, Mr Shaich and entities affiliated with him owned 1.25m shares in Panera, giving pre-tax gains from the deal with JAB of an estimated $393m. His holdings account for 15-16 per cent of voting rights.

The increased market value is down to Panera creating a bright spot for itself at a difficult time for the restaurant industry.

But under Mr Shaich's leadership, Panera has gained share, noting this week that its first-quarter comparable sales had increased 5.3 per cent, far faster than the industry average.

Last year it recorded earnings of $6.18 cents a share, a 6.7 per cent rise on the back of $3bn sales, which had risen 4.2 per cent year on year. Its early start on providing better-for-you menus and a comprehensive digital strategy has been vital to its success.

Mr Shaich, who says he eats at Panera 20 times a week, noticed a need to shift to digital order-and-payment combined with table service in 2011-12 when he was driving his children to school.

Today, a quarter of Panera's orders are placed via digital platforms, the highest in the industry, bar pizza companies, while larger rival McDonald's is only this year introducing a similar system in the US.

Mr Shaich is wary of groups losing their ability to "discover" new services and products as they mature, which is often when the focus becomes limited to execution, and risk aversion prevails. "The CEO needs to be the innovator-in-chief. Only the CEO can ultimately commit the organisation to making a smart bet [on the future]. I view my role as protecting that."

He adds that half of the top 50 companies in the restaurant industry have disappeared in the past 35 years, having lost their competitive advantage.

Mr Shaich argues that the JAB deal will enable Panera to maintain its edge. He says he wants to continue to run Panera, and the new owners want him there, though details will be figured out after the deal has closed.

Lindsay Whipp