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Palm Beach Branch Opens Its Doors

Page 5 *Our newest restaurant wows record crowds with its scenic setting, relaxing environment, and our trademark sizzling fresh food!*



Page 2 Weekend evenings will never be the same wherever there's a Cilantro's in town! Our new nightclub environment will keep it hotter at Cilantro's on Fridays and Saturdays.

Two New Dishes Unveiled

Page 4 Cilantro's challenges traditional Mexican standards with two hot new meals that add great variety to our menu.



CILANTRO'S IS ABOUT FUN! IT'S ABOUT BEING THE PACE OF LIFE.

Cilantro's Heats Up Night Life

going for the gusto, and all of the other clichés that mean “getting off of your behind and doing something.”

That's why we're introducing a new direction for weekends at each of our restaurants—“Cilantro's at Night!”

Unlike most of the other large restaurant chains, which at the most offer only TV and loud piped-in music on Friday and Saturday nights, each Cilantro's branch will have live entertainment, dancing, and special events.

During the week, we want Cilantro's to be the best place for families, couples, and businesspeople to come to eat. Since Mexican restaurants have a reputation for being “greasy spoons,” we've worked hard to overcome this stereotype by making our restaurants extra-clean, with our presentation crisp and professional.

However, we now feel that this emphasis has overshadowed our theme of being fun and spontaneous—much as some large theme parks have the reputation as being too pre-programmed and “neatly packaged.”

That's why we're kicking off “Cilantro's at Night.” We're confident that this party environment will give our weekend sales a significant boost, and reinforce our slogan—“It's always hotter at Cilantro's.” And hot it will be. At 9:30 sharp each Friday and Saturday night, the music will begin. We've lined up the best red hot Texas boogie bands in many of our locations, and will be constantly on the lookout for

new talent. These bands are not just musicians—they're entertainers. On the band's breaks, a live DJ will take over, with dance music and special contests. For example, the winner of each evening's “Cilantro's Sings” karaoke contest will win free lunch entrees and Cilantro's wear.

It's really important that we distinguish ourselves from the average sleazy bar and grill. Cilantro's has class and a reputation for offering the very best. “Cilantro's at Night” will be no exception. We're sparing no expense to make the dance floors, lighting, stages, and sound systems top-notch, and will be promoting our weekends more as

“events” than as “weekend hangouts.” It's critical that we impress people the first time—and every time—they come to “Cilantro's at Night.”

We're looking forward to the creative ways each of our branches adds their own character to Cilantro's at Night—and we'll keep you posted with new information on entertainers, marketing ideas, and contest prizes. See you on the dance

floor!



Customer Service Profile

Each month, we recognize outstanding service at one of our Cilantro's branches. This issue, we applaud James Hill, a waiter in Boston.

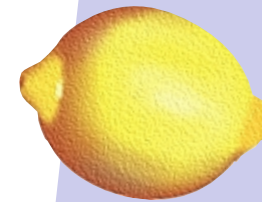
As you probably know, lemonade is not one of the many beverages on Cilantro's menu. However, that didn't stop James from going the extra mile and making some anyway—fresh squeezed!

"One of my regular patrons asked for lemonade, and I felt kind of bad that we couldn't help them," James recalls. "The first time they asked, I was too busy to do anything about it—but the second time they came in, I got busy back in the kitchen. I make fresh lemonade for myself

at home, so it wasn't that big a deal."

The pleasantly surprised customer wrote a letter to manager Tracy Jones, including the very complimentary statement, "I've never felt so personally cared for at any restaurant before. I've gotten really disillusioned with service in this 'fast food' era, so I was shocked when James brought out that lemonade. I just had to let you know that what he did made my day!"

For his over-the-top effort, we're giving James a free leather Cilantro's jacket, and two tickets to a RedSox game. Lets all keep up the great work and super attitudes to make Cilantro's the best!



James' Fresh Lemonade

4 cups water
2 lemons
3 1/2 tbls. honey
pinch salt
2 sprigs mint

Squeeze lemons to get 6 tbls. lemon juice. Stir lemon juice into honey until well-blended. Slowly add water until well-blended. Serve over ice; add salt and garnish with mint sprig. Serves two.

Cilantro's the Perfect Environment for Steamy Romance



The food's not the only thing that gets heated up at Cilantro's! Fred Gray and Anna Tufts in our Columbia, Maryland restaurant found this out when they met as co-workers. As Fred, a waiter, and Anna, a cook, discovered, Cilantro's is a relaxing environment where people can have a lot of fun—even as employees.

"Anna and I started getting together to talk during breaks and after work," Fred remembers. "A lot of times, we wouldn't even go out somewhere else—we both really liked Cilantro's environment and food. We'd usually sit down over a cup of Texas Tea or share a Deep Fried Ice Cream. Of course, the employee discount on food and drinks didn't hurt, either," he laughs.

The couple, shown to the left at the annual Cilantro's gala, got engaged last November, and exchanged vows this June. They're still faithful Cilantro's employees, and talk of opening their own branch. We think that's great—it would really add to the sense of "family" we try to instill in all of our employees.

If you run into Fred and Anna, be sure to congratulate them—and you never know, you may be the next to cook up a hot romance at Cilantro's!

New Menu Items Add Variety

Cilantro's is gaining a reputation across the U.S. for its world-class Mexican cuisine. But that doesn't mean we're resting on our laurels. Coming this fall, Cilantro's is introducing new entrees that will add diversity to our already large menu, while retaining our characteristic sizzle.

First, we're adding a delicious Vegetarian Platter. Mexican food has traditionally been known for beef and chicken recipes—but we're stepping out of that mold with this meal. The platter combines a crisp Mexican salad with a generous helping of Southwest-style vegetables. And of course, we haven't forgotten our famous spices that give our food the distinctive Cilantro's flavor. Now, even those who aren't feeling carnivorous can enjoy our heat in a lighter fare.

For those who want an alternate to the

standard tacos and enchiladas, we offer our new Mexican Chicken. Unlike many other entrees, this platter doesn't come wrapped in a tortilla. It's got a distinctive flavor and aroma that set it apart from traditional southwest fare—but don't worry, it's decidedly hot! The juicy chicken breasts are topped with our special combination of four cheeses, along with Cilantro's Red, so it's plenty fiery.

We'll be sending marketing materials, new menu inserts, and table fliers for the new items out within a month to get the word out that the new Cilantro's items are HOT!



20,000,000!

Twenty Millionth Customer Served

OK, we're not as big as those huge fast food chains, but we're getting there! Fittingly, our first branch in Albuquerque, New Mexico played host to our 20,000,000th customer last month. That's right—twenty million! It seems just like yesterday we first opened our doors to the public.

"I'm honored to still be involved with such a quality organization that is committed to such high standards," says original and current owner Sheila Delaney. "When we started in 1990, I don't think any of us envisioned such a phenomenal response. But in a way I'm not surprised. We've worked hard to make Cilantro's a clean, attractive, and affordable place to eat—at very reasonable prices. There's a lot to be proud of when you attain—and surpass—your goals as we have."

The second ten million came a lot faster than the first; only two years have passed since that milestone in 1995. "The more branches we have, the faster business seems to increase. I think the word is getting out all over—that it really is "hotter at Cilantro's!" she laughs.

With such tremendous success Cilantro's is attaining nationwide, you can count on more branch opening announcements here (see our story on the Palm Beach branch in this issue).

Cilantro's Palm Beach Restaurant Opens

Cilantro's keeps popping up all over—now, south Floridians can have a taste of our famous cuisine. On June 23rd, the new Palm Beach location opened its doors to a crowd anxious for some authentic Tex-Mex food—and we didn't disappoint.

"It was great—much better than I hoped for. And I'm picky about my Mexican food!" exclaimed one satisfied customer.

"I've been waiting ten years for a good, authentic Mexican restaurant to open near me. I'm excited. And I'll be back, don't worry," said another.

Crowds have been steady from the very beginning. The first Friday and Saturday, a line wrapped outside the building, drawing attention from passersby. Branch manager Brian Danziger says, "We didn't expect this kind of draw so quickly. We had to very quickly add to our staff and work some long hours to keep up. But believe me, I don't mind!"

The beautiful setting and spacious outdoor seating is definitely part of the appeal for the Palm Beach Cilantro's. Diners overlook a gorgeous beach lined with palm trees, and can enjoy the cool gentle summer breeze as they relax with their entrees and drinks. Says one patron, "I can't imagine why you'd ever want to sit inside here. I know I'll be back whenever I need to relax a little."

Palm Beach is already near the top of our sales chart—congratulations to Brian and his staff for such a smooth opening and great business!



HOT TIPS

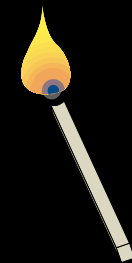
Morale Building

The restaurant industry can be pretty demanding. With the day in, day out concerns of providing excellent service, making the highest quality food, and keeping the restaurant spotless, it's

easy to get burned out. When enough people reach this point, nerves get frayed, complaints fly, arguments break out, and morale sinks.

You don't have to stand by and let

this happen! Maggie Centauro, manager of the Tuscon, Arizona branch, offers this issue's hot tips for keeping your work environment cheery and pleasant:



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Sales Reach New Peaks

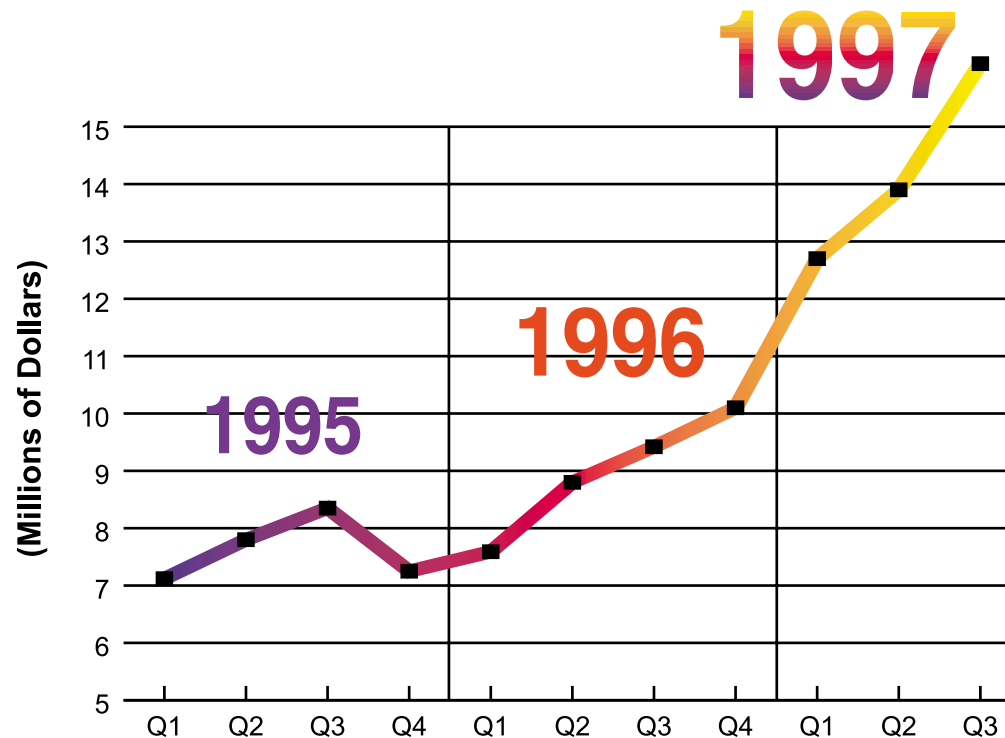
Great news! Our trend of escalating revenue has continued into the third quarter, with no signs of letting up. For the first time in Cilantro's history, we broke the \$15 million mark in Q3, topping the previous high of \$13.9 million sold last quarter.

"We're excited that sales are higher than our most ambitious goals," exclaims CEO Sheila Delaney. "The new branch openings have a lot to do with it, but everyone should know that we would have cleared 15 million without them. All of our branches have performed tremendously, and deserve a great big

round of applause."

The final figure of \$16.1 million represents an average of almost \$325,000 for the existing branches, and over \$200,000 for the Palm Beach branch. With all of the branches operating at peak capacity for Q4, management is predicting sales of over \$17.5 million to close out the year.

The good news will of course be reflected in the managers' profit sharing checks, which will be higher than ever before. We suggest that with all of your extra funds, you have a little fun—treat each of your employees to free Fruit Chillers® or one of our new Mexican Chicken Platters!



HOT TIPS

Morale Building, from page 5

best when they feel like a team. At our branch, I make sure we have staff meetings at least twice a month. And I keep it interesting! No one wants to sit through “another boring meeting,” so we make ours a mini-party after closing hours. We often brainstorm about ideas for decorating and dressing seasonally.

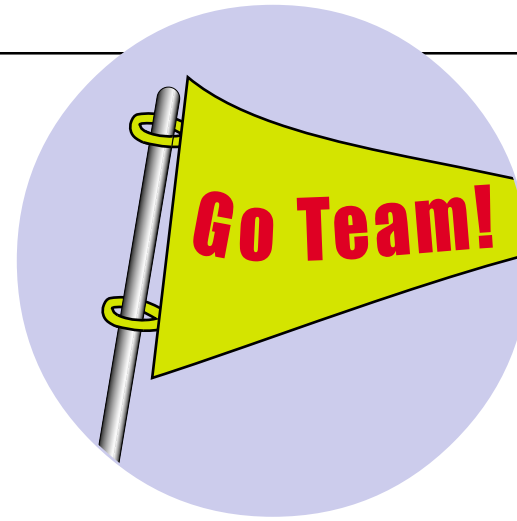
Get common goals. Many times, working toward a common purpose gives people a sense of excitement and a feeling that “we’re doing something positive.” We take the best of the ideas we come up with in our brainstorming sessions, and do them together. For example, last year, we all re-decorated the entire place for Halloween, with spooky stuff everywhere. The whole staff had a blast!

Play together. All work and no play makes any restaurant a dull place to be. In keeping with Cilantro’s “fun” theme, we schedule staff events outside the restaurant. Several of us play on a company softball team each year, and we take a trip to a local amusement park each summer. In the winter, there are ski trips and our Christmas party. We’re too busy having fun to complain!

Smiles, everybody, smiles. It’s amazing how one good attitude rubs off on others. If other people’s bad attitudes are bothering you, don’t try to fix them. Fix yourself first—put a smile on your face. Just as laughing is contagious, an upbeat spirit will cause a chain reaction. Pretty soon, everyone around you will be in a good mood, too!

Incentives help. Some of us don’t respond to a “rah-rah team spirit” approach. But most of us respond to good ol’ U.S. currency. The trick is to make customer service and a good attitude the goals. Most employee incentives are sales related, but they don’t have to be. For example, on a whim, I offered a day off with full pay to the employee who could make me laugh the most in a week. You should have seen the Herculean efforts my staff made to be comedians! By the time the week was done, I don’t think any of us wanted to stop the contest..we all had such a good time.

Keep your chin up. As a manager, you’re going to go through some really tough times, in which you wonder, “Is this worth it?” Trust me, if you persevere through those times with a positive attitude, you’ll come out of them with a great sense of satisfaction. It’s worth it!



Cilantro's *'97 Gala*

Get your tickets now for this year's conference and year-end celebration! Cilantro's has a lot to celebrate about this year, with record sales, a new branch opening, and our exciting new "Cilantro's At Night" program.

In fact, "Cilantro's At Night" is this year's banquet theme. Come ready to dance to the smokinest Texas boogie you've ever heard, compliments of T.J. Marshall and the Wranglers. Once

you've gotten into the spirit of the banquet, you'll be eager to go back home and fire up your own Cilantro's At Night!

Fittingly, we're holding the '97 gala at the largest conference center in Houston, Texas. Although we're reserving as many rooms in area hotels as possible, we expect that some of you will have to find alternate accommodations. Get your registration form in soon!

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