PANERA BREAD COMPANY

CONSOLIDATED BALANCE SHEETS

(in thousands, except share information)

	Dec. 29, 2001	Dec. 30, 2000
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 18,337	$ 9,011
Accounts receivable, less allowance of $67 in 2001 and $86 in 2000	4,871	3,105
Inventories (Note 3)	3,459	2,442
Prepaid expenses	1,649	1,027
Deferred income taxes (Note 9)	7,289	5,193
Other	399	474
Total current assets	36,004	21,252
Property and equipment, net (Note 4)	79,693	59,857
Other assets:		
Goodwill, net of accumulated amortization of $7,909 in 2001 and $6,921 in 2000	17,530	17,790
Deposits and other (Note 10)	5,020	4,755
Deferred income taxes (Note 9)	5,687	8,035
Total other assets	28,237	30,580
Total assets	$143,934	$111,689
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 5,271	$ 5,396
Accrued expenses (Note 6)	16,433	11,893
Current portion of computer equipment financing	—	374
Current portion of deferred revenue (Note 17)	677	800
Total current liabilities	22,381	18,463
Deferred revenue (Note 17)	1,125	1,638
Total liabilities	23,506	20,101
Commitments and contingencies (Note 8)		
Minority Interest (Note 11)	556	—
Stockholders' equity (Note 12):		
Common stock, $.0001 par value:		
Class A, shares authorized 50,000,000; issued 13,009,039 and outstanding 12,954,539 in 2001 and issued 11,925,418 and outstanding 11,870,918 in 2000	1	1
Class B, shares authorized 2,000,000; issued and outstanding 1,294,300 in 2001 and 1,481,922 in 2000	—	—
Treasury stock, carried at cost	(900)	(900)
Additional paid-in capital	98,103	82,971
Retained earnings	22,668	9,516
Total stockholders' equity	119,872	91,588
Total liabilities and stockholders' equity	$143,934	$111,689

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BREAD COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

	For the fiscal years ended		
	December 29, 2001	December 30, 2000	December 25, 1999
Revenues:			
Bakery-cafe sales	$157,684	$125,486	$156,738
Franchise royalties and fees	19,577	12,059	7,384
Commissary sales to franchisees	23,856	13,844	7,237
Total revenue	201,117	151,389	171,359
Costs and expenses:			
Bakery-cafe expenses:			
Cost of food and paper products	48,502	41,084	52,445
Labor	46,431	36,609	45,385
Occupancy	11,345	9,313	15,552
Other operating expenses	20,729	16,050	18,740
Total bakery-cafe expenses	127,007	103,056	132,122
Commissary cost of sales to franchisees	21,965	12,261	6,490
Depreciation and amortization	10,839	8,412	6,379
General and administrative expenses	19,589	16,381	17,104
Non-recurring charge (Note 5)	—	494	5,545
Total costs and expenses	179,400	140,604	167,640
Operating profit	21,717	10,785	3,719
Interest expense	72	164	2,745
Other expense (income), net	213	(409)	735
Minority interest	8	—	(25)
Income before income taxes and extraordinary item	21,424	11,030	264
Income taxes (Note 9)	8,272	4,177	511
Income (loss) before extraordinary item	13,152	6,853	(247)
Extraordinary loss from early extinguishments of debt, net of tax of $197	—	—	382
Net income (loss)	$ 13,152	$ 6,853	$ (629)
Earnings per common share:			
Basic:			
Income (loss) before extraordinary item	$.95	$.55	$(.02)
Extraordinary loss on the early extinguishment of debt	—	—	(.03)
Net income (loss)	$.95	$.55	$(.05)
Diluted:			
Income (loss) before extraordinary item	$.91	$.52	$(.02)
Extraordinary loss on the early extinguishment of debt	—	—	(.03)
Net income (loss)	$.91	$.52	$(.05)
Weighted average shares of common stock outstanding:			
Basic	13,892	12,557	12,137
Diluted	14,443	13,134	12,137

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BREAD COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the fiscal years ended		
	Dec. 29, 2001	Dec. 30, 2000	Dec. 25, 1999
Cash flows from operations:			
Net income (loss)	$ 13,152	$ 6,853	$ (629)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	10,851	8,500	6,785
Provision for losses on accounts receivable	27	(111)	93
Minority interest	8	—	(25)
Tax benefit from exercise of stock options	8,023	4,001	—
Deferred income taxes	252	664	42
Loss on early extinguishment of debt	—	—	382
Non-recurring charge	—	494	5,545
Changes in operating assets and liabilities:			
Accounts receivable	(1,793)	(308)	(1,596)
Inventories	(998)	(562)	(65)
Prepaid expenses	(622)	(543)	(3,560)
Refundable income taxes	323	(376)	—
Accounts payable	(125)	1,861	(3,037)
Accrued expenses	4,540	(645)	769
Deferred revenue	(636)	234	2,011
Net cash provided by operating activities	33,002	20,062	6,715
Cash flows from investing activities:			
Additions to property and equipment	(29,685)	(20,089)	(15,306)
Proceeds from sale of assets	—	—	72,163
Change in cash included in net current liabilities held for sale	—	—	(466)
Payments received on notes receivable	—	35	114
Other	(749)	—	(80)
(Decrease) Increase in deposits and other	(271)	(771)	855
Net cash (used in) provided by investing activities	(30,705)	(20,825)	57,280
Cash flows from financing activities:			
Exercise of employee stock options	6,714	8,206	96
Proceeds from long-term debt issuance	—	765	41,837
Principal payments on long-term debt and computer equipment financing	(374)	(391)	(106,073)
Purchase of treasury stock	—	(900)	—
Proceeds from issuance of common stock	395	182	148
Common stock issued for employee stock bonus	—	—	304
Increase in deferred financing costs	(6)	(24)	(110)
Increase (decrease) in minority interest	300	—	(121)
Net cash provided by (used in) financing activities	7,029	7,838	(63,919)
Net increase in cash and cash equivalents	9,326	7,075	76
Cash and cash equivalents at beginning of year	9,011	1,936	1,860
Cash and cash equivalents at end of year	$ 18,337	$ 9,011	$ 1,936
Supplemental cash flow information:			
Cash paid during the year for:			
Interest	$32	$85	$4,250
Income taxes	$73	$512	$241

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BREAD COMPANY

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the fiscal years ended December 29, 2001, December 30, 2000, and December 25, 1999
(in thousands)

	Common Stock $.0001 Par Value								
	Class A		Class B		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, Dec. 26, 1998	10,518	$ 1	1,558	$—	—	$ —	$70,033	$ 3,293	$ 73,327
Exercise of employee stock options	14						96		96
Issuance of common stock	29						148		148
Issuance of common stock for employee bonus	48						304		304
Conversions of Class B to Class A	22		(22)						
Net loss	—	—	—	—	—	—	—	(629)	(629)
Balance, Dec. 25, 1999	10,631	1	1,536	—	—	—	70,581	2,664	73,246
Exercise of employee stock options	1,089						8,206		8,206
Issuance of common stock	20						182		182
Issuance of common stock for employee bonus	—						1	(1)	—
Exercise of Warrants	132								
Conversions of Class B to Class A	54		(54)						
Repurchase of Class A common stock	(55)				55	(900)			(900)
Income tax benefit related to stock option plan							4,001		4,001
Net income	—	—	—	—	—	—	—	6,853	6,853
Balance, Dec. 30, 2000	11,871	1	1,482	—	55	(900)	82,971	9,516	91,588
Exercise of employee stock options	880						6,714		6,714
Issuance of common stock	16						395		395
Conversions of Class B to Class A	188		(188)						
Income tax benefit related to stock option plan							8,023		8,023
Net income	—	—	—	—	—	—	—	13,152	13,152
Balance, Dec. 29, 2001	12,955	$ 1	1,294	$—	55	$ (900)	$98,103	$22,668	$119,872

The accompanying notes are an integral part of the consolidated financial statements.

PANERA BREAD COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business

Panera Bread Company operates a retail bakery-cafe business and franchising business under the concept names "Panera Bread Company" and "Saint Louis Bread Company". Up until the year ended December 26, 1998, the Company operated under the name Au Bon Pain Co., Inc. and consisted of two retail bakery-cafe businesses and two franchising businesses operating under the concept names "Au Bon Pain" and "Saint Louis Bread Company". As described in Note 5, effective on May 16, 1999, the Company sold the Au Bon Pain Division.

2. Summary of Accounting Policies

Basis of Presentation and Principles of Consolidation

For the year ended December 29, 2001, the consolidated financial statements consist of the accounts of Panera Bread Company, its wholly owned subsidiary Panera, Inc. (now Panera, LLC) and, through Artisan Bread, LLC, an indirect subsidiary, a 90% investment in Cap City Bread, LLC, in which a minority interest is held by a joint venture partner. For the years ended December 30, 2000, and December 25, 1999, the consolidated financial statements consist of the accounts of Panera Bread Company and Panera, Inc., (now Panera, LLC) its wholly owned subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Certain reclassifications have been made to conform previously reported data to the current presentation.

Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity at the time of purchase of three months or less to be cash equivalents.

Accounts Receivable

Substantially all accounts receivable at fiscal year-end are due from franchisees for purchases of fresh dough from the Company's commissaries and for royalties from December sales. The Company generally does not require collateral and maintains reserves for potential uncollectable accounts, which in the aggregate have not exceeded management's expectation.

Inventories

Inventories, which consist of food products, paper goods and supplies, smallwares and promotional items are valued at the lower of cost, or market, determined under the first-in, first-out method.

Property, Equipment and Leaseholds

Property, equipment and leaseholds are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the remaining terms of the leases. The estimated useful lives used for financial statement purposes are:

Leasehold improvements	10-23 years
Machinery and equipment	3-10 years
Furniture and fixtures	3-10 years
Signage	10 years

Interest, to the extent it is incurred, is capitalized when in connection with the construction of new locations or facilities. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Capitalized interest amounted to $0, $0, and $96,279 in 2001, 2000 and 1999, respectively.

Upon retirement or sale, the cost of assets disposed of and their related accumulated depreciation are removed from the accounts. Any resulting gain or loss is credited or charged to operations. Maintenance and repairs are charged to expense when incurred, while betterments are capitalized.

Goodwill

Intangible assets consist of goodwill arising from the excess of cost over the fair value of net assets acquired at the original acquisition of the Company and the purchase of a commissary in the quarter ended October 6, 2001. Goodwill from the original acquisition is amortized on a straight-line basis over twenty-five years. The goodwill which arose from the purchase of the commissary in September of 2001 is not being amortized. The Company examines the carrying value of its excess of cost over net assets acquired and other intangible assets to determine whether there are any impairment losses. If indications of impairment were present in intangible assets used in operations, and future cash flows were not expected to be sufficient to recover the assets' carrying amount, an impairment loss would be charged to expense in the period identified. No event has been identified that would indicate an impairment of the value of material intangible assets recorded in the accompanying consolidated financial statements. Amortization expense was approximately $1.0 million for the years ended December 29, 2001, December 30, 2000, and December 25, 1999, respectively.

Impairment of Long-Lived Assets

Periodically management assesses, based on undiscounted cash flows, if there has been a permanent impairment in the carrying value of its intangible and other long-lived assets and, if so, the amount of any such impairment, by comparing anticipated undiscounted future operating income from acquired businesses with the carrying value of the related long-lived assets. In performing this analysis, management considers such factors as current results, trends, future prospects and other economic factors. No impairment of long-lived assets were determined during the fiscal years ended December 29, 2001, and December 30, 2000, however, as described in Note 5, a pre-tax impairment charge of $5.5 million was recognized in 1999 in connection with the sale of the Au Bon Pain Division.

Income Taxes

The provision for income taxes is determined in accordance with the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Capitalization of Certain Development Costs

The Company capitalizes direct expenses associated with the development and construction of new bakery-cafe locations. Capitalized costs of $1.1 million and $.8 million as of December 29, 2001 and December 30, 2000, respectively, are recorded as part of the asset to which they relate and are amortized over the asset's useful life.

Franchise Royalties and Fees and Revenue Recognition

Franchise fees are the result of sales of area development rights and the sale of individual franchise locations to third parties, both domestically and internationally. Upon the completion of the sale of the Au Bon Pain Division on May 16, 1999, the Company no longer had any international franchisees. The initial franchise fee is $35,000 per bakery-cafe to be developed under the Area Development Agreement (ADA). Of this fee, $5,000 is paid at the time of signing of the ADA and is recognized as revenue when it is received as it is non-refundable. The remaining $30,000 is paid at the time an individual franchise agreement is signed and is recognized as revenue upon the commencement of franchise operations of the bakery-cafe. Royalties are paid weekly based on a percentage of sales, ranging from 4.0% to 5.0%, as defined in the agreement. Royalties are recognized as revenue when they are earned.

The Company records revenues from bakery-cafe sales upon delivery of the related food products to the customer. Revenues from commissary sales to franchisees are recorded upon delivery.

Advertising Costs

The Company's policy is to report advertising costs as expenses in the periods in which the costs are incurred. The total amounts charged to advertising expense were approximately $3.5 million, $2.8 million, and $1.8 million for the years ended December 29, 2001, December 30, 2000, and December 25, 1999, respectively.

Pre-Opening Costs

All pre-opening costs associated with the opening of new bakery-cafe locations are expensed when incurred.

Fiscal Year

The Company's fiscal year ends on the last Saturday in December. Fiscal years for the consolidated financial statements included herein include 52 weeks for the fiscal year ended December 29, 2001, 53 weeks for the fiscal year ended December 30, 2000, and 52 weeks for the fiscal year ended December 25, 1999.

Earnings Per Share Data

Earnings per share is based on the weighted average number of shares outstanding during the period after consideration of the dilutive effect, if any, for common stock equivalents, including stock options, warrants and preferred stock. Earnings per common share are computed in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128 "Earnings Per Share," which requires companies to present basic earnings per share and diluted earnings per share. Basic earnings per share are computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share are computed by dividing net income by the weighted average number of shares of common stock outstanding and dilutive securities outstanding during the year.

Fair Value of Financial Instruments

The carrying amount of the Company's accounts receivable and accounts payable approximate their fair values due to the short-term maturity of these instruments.

Recently Issued Financial Accounting Standards

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 defines derivatives instruments and requires that these items be recognized as assets or liabilities in the statement of financial position. This statement is effective for financial statements issued for periods beginning January 1, 2000. However, SFAS No. 137 deferred the effective date for one year to January 1, 2001. As of December 29, 2001, the Company had derivative instruments, which consisted primarily of immaterial fixed price purchase contracts.

In July, 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 (SFAS), "Business Combinations". SFAS 141 provides standards on accounting for business combinations, eliminates the pooling of interests method of accounting for business combinations, and establishes specific criteria for recognition of intangible assets separately from goodwill. The Company has adopted the provisions of SFAS 141 for all business combinations which occurred after July 2001. The Company's purchase of the commissary in September, 2001 was accounted for in accordance with its provisions.

In July 2001, the Financial Accounting Standards board issued SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 requires that an intangible asset that is acquired shall be initially recognized and measured based on its fair value. This statement also provides that goodwill should not be amortized, but shall be tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount. SFAS No. 142 is effective for fiscal periods beginning after December 15, 2001. The Company has adopted the provisions of SFAS No. 142 and has accounted for this purchase of the fresh dough facility in the quarter ended October 6, 2001, accordingly.

In October 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment of Long-Lived Assets" which supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" and the accounting and reporting provisions of APB No. 30, "Reporting the Results of Operations — Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and transactions" for the disposal of a segment of a business. SFAS No. 144 retains many of the provisions of SFAS No. 121, but addresses certain implementation issues associated with that Statement. The Company will adopt SFAS No. 144 beginning in fiscal 2002.

3. Inventories

Inventories consist of the following (in thousands):

	December 29, 2001	December 30, 2000
Food:		
Commissaries	$ 402	$ 310
Bakery-cafes	1,157	908
Paper goods	221	170
Smallwares	1,604	1,036
Other	75	18
	$3,459	$2,442

4. Property and Equipment

Major classes of property and equipment consist of the following (in thousands):

	December 29, 2001	December 30, 2000
Leasehold improvements	$54,447	$39,852
Machinery and equipment	39,459	30,358
Furniture and fixtures	11,812	8,497
Signage	2,739	2,167
Construction in progress	4,612	3,537
	113,069	84,411
Less accumulated depreciation and amortization	33,376	24,554
Property and equipment, net	$79,693	$59,857

The Company recorded depreciation expense related to these assets of $9.9 million, $7.4 million, and $5.4 million in 2001, 2000, and 1999, respectively.

5. Sale of Au Bon Pain Division and Non-recurring Charges

The Company, together with its wholly-owned subsidiary ABP Holdings, Inc. ("ABPH") entered into a Stock Purchase Agreement dated August 12, 1998 and amended October 28, 1998 with ABP Corporation (the "Buyer"), an affiliate of Bruckmann, Rosser, Sherrill & Co., L.P., relative to the transfer of substantially all of the assets and liabilities of the Company's Au Bon Pain Division business (the "Au Bon Pain Division") and sale of all of the outstanding capital stock of ABPH to the Buyer, whereby the Buyer would become the owner of the Au Bon Pain Division (the "Sale"). The Sale was effective May 16, 1999 for $73 million in cash before contractual purchase price adjustments of approximately $1 million. The Company, which now consists of the Panera Bread/Saint Louis Bread Company Division only, has been renamed Panera Bread Company. The proceeds from the sale were used to repay all outstanding debt and provide cash for growth. In addition, the Company recorded an extraordinary loss net of taxes of $0.4 million associated with the early extinguishment of debt outstanding in the second quarter of 1999.

In conjunction with the sale, the Company recorded a non-cash, non-recurring, pre-tax charge of $5.5 million in the first quarter of 1999. This charge was to reflect a write-down under Statement of Financial Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for the Long-Lived Assets to be Disposed of" ("SFAS 121"). The charge is included as a separate component of operating expenses. The non-cash charge was taken to record an impairment for long-lived assets to be disposed of as a result of the agreement entered into for the subsequent sale of the Au Bon Pain Division. Operating income for the year ended December 25, 1999, was favorably impacted by $4.7 million due to the suspension of depreciation and amortization associated with the Au Bon Pain Division assets held for sale effective after August 12, 1998.

In fiscal year 1999, revenues and net operating income (before non-recurring charges and the suspension of depreciation and amortization) in the Au Bon Pain Division through the time of its sale on May 16, 1999, were $51.5 million and $3.2 million respectively.

In the second quarter of 2000, the Company recorded a one-time gain of $.9 million before taxes related to the sale of the Au Bon Pain Division. The original sales agreement dated August 12, 1998, and amended October 28, 1998, included a provision prohibiting the sale of the Au Bon Pain Division by ABP Corporation to another party within 18 months of the date of the agreement. This payment was received in connection with amending the original sales agreement to allow for a sale. The one time gain of $.9 million before taxes related to the sale of the Au Bon Pain Division was substantially offset in the fourth quarter of 2000 by the recording of a $.9 million pre-tax, non-recurring charge associated with the sale of the Au Bon Pain Division which occurred in May 1999. Of that amount $.4 million, before taxes, represents an additional loss on the sale of the Au Bon Pain Division and $.5 million represents a receivable from Au Bon Pain which management has fully reserved. Also in the fourth quarter of 2000, the Company recorded a pre-tax, non-recurring charge to earnings of approximately $.5 million which includes approximately $.3 million for the write-down of impaired assets, related to the closing of two bakery-cafes in the first quarter of 2001. Additionally, this charge included approximately $.2 million for the write-off of fixed assets related to two bakery-cafes that were closed in the fourth quarter of 2000.

6. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	December 29, 2001	December 30, 2000
Accrued insurance	$ 949	$ 796
Rent	1,665	1,168
Compensation and employment related taxes	5,455	3,119
Taxes, other than income taxes	940	1,780
Other	7,424	5,030
	$16,433	$11,893

7. Long-term Debt

The Company had a $10.0 million unsecured revolving line of credit at December 29, 2001 and December 30, 2000, respectively. The revolving line of credit bears an interest rate of LIBOR plus 1%, approximately 2.9% and 7.5% at December 29, 2001 and December 30, 2000, respectively. The revolving credit agreement contains restrictions relating to future indebtedness, liens, investments, distributions, mergers, acquisition or sale of assets and certain leasing transactions. The agreement also requires the maintenance of certain financial ratios and covenants. The revolving credit agreement also contains a commitment fee of .225% and .50% of the unused portion of the revolving line of credit at December 29, 2001 and December 30, 2000, respectively. At December 29, 2001 and December 30, 2000, the Company had outstanding letters of credit against the revolving line of credit aggregating $.3 million and $.6 million, respectively. There were no outstanding borrowings under the revolving credit agreement at December 29, 2001 and December 30, 2000. As of December 29, 2001, and December 30, 2000, the Company was in compliance with all debt covenants.

8. Commitments and Contingent Liabilities

The Company is obligated under noncancelable operating leases for its administrative offices, commissaries, and bakery-cafes. Lease terms are generally for ten years with renewal options at certain locations and generally require the Company to pay a proportionate share of real estate taxes, insurance, common area and other operating costs. Many bakery-cafe leases provide for contingent rental (i.e., percentage rent) payments based on sales in excess of specified amounts.

Aggregate minimum requirements under non-cancelable operating leases excluding contingent liabilities for Au Bon Pain Division leases were, as of December 29, 2001, approximately as follows (in thousands):

2002	$10,952
2003	10,676
2004	10,366
2005	8,944
2006	8,100
Thereafter	26,919
	$75,957

Rental expense under operating leases was approximately $9.9 million, $8.5 million, and $14.0 million in 2001, 2000, and 1999, respectively, which included contingent (i.e., percentage rent) payments of approximately $0.4 million, $0.4 million, and $1.1 million, respectively.

The Company is a prime tenant or guarantor for certain of the operating leases of the Au Bon Pain Division which approximated $12.8 million of annual rental payments for Au Bon Pain company-owned store operating leases and $.8 million of annual rental payments for Au Bon Pain franchise store operating leases as of December 29, 2001. The liability from leases or guarantees will continue to decrease over time as these operating leases for the Au Bon Pain Division expire or are not renewed. Currently, the Company has not had to make any payments related to the Au Bon Pain leases or guarantees. The Au Bon Pain Division continues to have primary liability for these operating leases.

Aggregate minimum requirements under non-cancelable operating leases for the Au Bon Pain Division on which the Company is a guarantor were, as of December 29, 2001, approximately as follows (in thousands):

2002	$13,537
2003	11,484
2004	9,788
2005	7,754
2006	6,639
Thereafter	13,297
	$62,499

The Company is subject to legal proceedings and claims which arise in the normal course of business. In the opinion of management, the ultimate liabilities with respect to these actions will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

9. Income Taxes

The provision for income taxes in the consolidated statements of operations is comprised of the following (in thousands):

	December 29, 2001	December 30, 2000	December 25, 1999
Current:			
Federal	$6,807	$ —	$ —
State	1,213	(488)	469
	8,020	(488)	469
Deferred:			
Federal	148	3,455	(13)
State	104	1,210	55
	252	4,665	42
Tax provision before extraordinary item	$8,272	$4,177	$ 511

A reconciliation of the statutory federal income tax rate and the effective tax rate as a percentage of income before income taxes and extraordinary item follows:

	2001	2000	1999
Statutory rate provision	35.0%	35.0%	34.0%
State income taxes, net of federal tax benefit	4.0	4.5	68.3
Charitable contributions	(.9)	(1.2)	—
Company-owned life insurance (See Note 10)	0.1	—	32.8
Non-deductible goodwill and meals and entertainment	0.3	0.6	58.7
Other, net	0.1	0.1	(0.2)
Change in valuation allowance	—	(1.1)	—
	38.6%	37.9%	193.6%

The tax effects of the significant temporary differences which comprise the deferred tax assets (liabilities) are as follows (in thousands):

	2001	2000
Current assets/liabilities:		
Receivables reserve	$ 26	$ 35
Accrued expenses	1,263	1,558
Net operating loss carryforward	6,000	3,600
Total current	7,289	5,193
Non-current assets/liabilities:		
Property, plant and equipment	(722)	(685)
Accrued expenses	542	743
Goodwill	(2,048)	(1,879)
Tax credit carryforward	4,465	5,079
Net operating loss carryforward	3,704	4,881
Charitable contribution carryforward	1,930	1,963
Capital loss carryforward	2,435	2,552
Total non-current	10,306	12,654
Total deferred tax asset	17,595	17,847
Valuation allowance	(4,619)	(4,619)
Total net deferred tax asset	$12,976	$13,228

A valuation allowance is provided to reduce the deferred tax assets to a level which, more likely than not, will be realized. The valuation allowance is primarily attributable to the potential for the non-deductibility of capital losses related to the taxable loss on the sale of the Au Bon Pain Division, the expectation that deferred state tax assets will be unrealizable in states where the Company no longer operates and that the Company will be unable to utilize certain charitable contribution carryforwards prior to their expiration. As of December 29, 2001 and December 30, 2000, the Company had net operating losses of approximately $23.9 million and $20.9 million, respectively, which can be carried forward twenty years to offset Federal taxable income. At December 29, 2001 and December 30, 2000, the Company had Federal jobs tax credit carryforwards of approximately $ 1.2 million, which expire in the years 2014-2015 and charitable contribution carryforwards of approximately $5.0 million and $4.8 million, respectively, which expire in the years 2002-2006. In addition, the Company had Federal alternative minimum tax credit carryforwards of approximately $3.2 million and $3.8 million at December 29, 2001 and December 30, 2000, respectively, which are available to reduce future regular Federal income taxes over an indefinite period. The Company reevaluates the positive and negative evidence impacting the realizability of its deferred income tax assets on an annual basis.

As discussed in Note 10, the Company is a party to a Company-owned life insurance program ("COLI"). Due to the leveraged nature of the program, the Company received substantial tax benefits for the period 1994 — 1998. Recent tax court litigation, not involving the Company, has raised the possibility that such tax benefits may be disallowed by the Internal Revenue Service. Management has provided appropriate reserves which it believes, should such disallowance occur, will not have a material adverse effect on the financial position, liquidity, or results of operations of the Company.

10. Deposits and Other

During fiscal 1997, the Company established a deposit program with its food products and supplies distributor, which allows the Company to receive lower distribution costs. The savings exceed the carrying value of the deposit. The deposit is flexible and the Company may at times decrease the amount on deposit, at its discretion. The deposit outstanding was $1.6 million at December 29, 2001 and December 30, 2000.

During fiscal year 1994, the Company established a company-owned life insurance program ("COLI") covering a substantial portion of its employees. At December 29, 2001 and December 30, 2000, the cash surrender value of $12.2 million and $13.1 million, respectively, the mortality income receivable of $3 million and $2.6 million, respectively, and the insurance policy loans of $12.2 million and $13.0 million, respectively, were netted and included in other assets on the consolidated balance sheet. The loans are collateralized by the cash values of the underlying life insurance policies and require interest payments at a rate of 10.25% for the year ended December 29, 2001. In 1996, tax law changes adopted as part of the Health Insurance Portability and Accountability Act significantly reduced the level of tax benefits recognized under the Company's COLI program. The Company included $0.2 and $0.0 million of expenses in other (income) expense, net, relating to COLI in 2001 and 2000, respectively.

11. Joint Venture

The Company, through Artisan Bread, LLC, an indirect subsidiary, entered into a limited liability company operating agreement on October 7, 2001, with the Company's former President and Chief Operating Officer as joint venture partner. The new LLC will develop and manage up to forty bakery-cafes in the Northern Virginia and Central Pennsylvania markets. The agreement entitles the former president, through the company he formed to act as a member of the LLC, to a specified percentage (currently 10%) of the cash flows from the bakery-cafes developed and operated by the LLC. He is required to make a mandatory capital contributions of $25,000 per bakery-cafe developed under the agreement, and he may make additional voluntary contributions up to 19% of the cost of each bakery-cafe developed under the agreement, and receive a proportionate increase in his share of the cash flows. Although he receives no salary for his services, he will receive an operating fee equal to the difference between (a) the sum of 4% of the gross sales and $40,000 (increased by 3.5% annually beginning in 2003) for each bakery-cafe opened by the LLC, and (b) expenses incurred by the LLC in connection with bakery-cafe operations other than license and administrative fees and expenses which relate solely to an individual bakery-cafe. Applicable expenses include, without limitation, all costs relating to district, regional and area supervision above the store level, bakery supervision, field training, training functions, neighborhood marketing, and recruiting and relocation. He may not sell or transfer his LLC interest to another party without the Company's consent. If his employment with the LLC terminates within the first five years of the operating agreement, the Company has the right to purchase his LLC interest. The purchase price is established either by appraisal, or by one of several formulas, depending upon the timing and reason for termination of his employment. After five years, the Company has the right to purchase the joint venture partner's interests at a contractually determined value based on a multiple of cash flow and the joint venture partner has the right to sell his interest back to the Company at a contractually determined value based on a multiple of cash flow. The Company contributed $6.7 million in assets for its membership interest in the LLC. The former president contributed $0.3 million cash and a note for $0.2 million that the Company includes as a note receivable in current assets in the company's consolidated balance sheets. The results of operations of the joint venture have been included in the consolidated financial statements since the date of formation. The former president's interest in the LLC is reflected as minority interest.

12. Stockholders' Equity

Common Stock

Each share of Class B Common Stock has the same dividend and liquidation rights as each share of Class A Common Stock. The holders of Class B Common Stock are entitled to three votes for each share owned. The holders of Class A Common Stock are entitled to one vote for each share owned. Each share of Class B Common Stock is convertible, at the shareholder's option, into Class A Common Stock on a one-for-one basis. The Company had reserved at December 29, 2001, 3,222,795 shares, of its Class A Common Stock for issuance upon conversion of Class B Common Stock and exercise of awards granted under the Company's 1992 Equity Incentive Plan, Formula Stock Option Plan for Independent Directors.

Registration Rights

Certain holders of Class A and Class B Common Stock, pursuant to stock subscription agreements, can require the Company, under certain circumstances, to register their shares under the Securities Act of 1933 or have included in certain registrations all or part of such shares, at the Company's expense.

Treasury Stock

The Company spent $.9 million in the third quarter of 2000 to repurchase 54,500 shares of Class A Common Stock at an average cost of $16.49 per share.

13. Stock Options

Stock-Based Compensation

In accordance with SFAS 123, "Accounting for Stock-Based Compensation", the Company has elected to follow the provisions of Accounting Principles Board Opinion No. 25 ("APB25"), "Accounting for Stock Issued to Employees", and provide the required pro-forma disclosure in the footnotes to the financial statements as if the measurement provisions of SFAS 123 had been adopted. Accordingly, no compensation costs have been recognized for the stock option plans as the exercise price of stock options equals the market price of the underlying stock on the date of grant. Had compensation costs for the Company's stock option plans been determined based on the fair value at the grant date for awards since 1995 consistent with the provisions of SFAS 123, the Company's net income (loss) for the years ended December 29, 2001, December 30, 2000, and December 25, 1999 would have been as follows:

	2001		2000		1999	
	Net Income (in thousands)	Diluted Net Income per share	Net Income (in thousands)	Diluted Net Income per share	Net Loss (in thousands)	Diluted Net Loss per share
As reported	$13,152	$.91	$6,853	$.52	$ (629)	$(.05)
Pro forma	$11,790	$.82	$5,569	$.42	$(1,941)	$(.16)

The effects of applying SFAS 123 in this pro-forma disclosure are not likely to be representative of the effects on reported net income for future years. SFAS 123 does not apply to awards prior to 1995.

The fair value of the options granted during 2001, 2000, and 1999 was $18.29 per share, $6.50 per share, and $3.22 per share, respectively, on the date of grant using the Black-Scholes option-pricing model with the following assumptions: dividend yield 0%, volatility of 40%, risk-free interest rate of 4.88% in 2001, 6.20% in 2000, and 5.68% in 1999, and an expected life of 7 years in 2001 and 2000 and 6 years in 1999.

1992 Equity Incentive Plan

In May 1992, the Company adopted its Equity Incentive Plan ("Equity Plan") to replace its Non-Qualified Incentive Stock Option Plan. Under the Equity Plan, a total of 950,000 shares of Class A Common Stock were initially reserved for awards under the Equity Plan. The Equity Plan was subsequently amended by the Board of Directors and the stockholders to increase the number of shares available thereunder from 950,000 to 4,300,000. Awards under the Equity Plan can be in the form of stock options (both qualified and non-qualified), stock appreciation rights, performance shares, restricted stock or stock units.

Formula Stock Option Plan for Independent Directors

On January 27, 1994, the Company's Board of Directors authorized the Formula Stock Option Plan for Independent Directors, as defined in the related agreement. This plan authorized a one-time grant of an option to purchase 10,000 shares of the Company's Class A Common Stock at its closing price on January 26, 1994.

Each independent director who is first elected as such after the effective date of the Directors' Plan shall receive, as of the date he or she is so elected, a one-time grant of an option to purchase 5,000 shares of Class A Common Stock at a price per share equal to the closing price of the Class A Common Stock as reported by the NASDAQ/National Market System for the trading day immediately preceding the date of the person's election to the board.

In addition, all independent directors serving in such capacity as of the last day of each fiscal year commencing with the fiscal year ending December 31, 1994 receive an option to purchase up to 5,000 shares of Class A Common Stock at the closing price for the prior day.

Each option granted to the independent directors is fully vested at the grant date, and is exercisable, either in whole or in part, for 10 years following the grant date. The Company had granted 156,099 and 136,099 options under this plan as of December 29, 2001 and December 30, 2000.

2001 Employee, Director, and Consultant Stock Option Plan

At the annual meeting of stockholders on June 12, 2001, the Company's 2001 Employee, Director, and Consultant Stock Option Plan was considered and approved. Under the Company's 2001 Employee, Director, and Consultant Stock Option Plan, a total of 1,000,000 shares of Class A Common Stock were authorized for issuance. The Company had granted 19,400 options under the plan as of December 29, 2001.

Activity under the all Stock Option Plans and its predecessor is summarized below:

	Shares	Weighted Average Exercise Price
Outstanding at December 26, 1998	3,305,331	$ 8.18
Granted	200,678	6.65
Exercised	(14,057)	6.85
Cancelled	(201,003)	7.52
Outstanding at December 25, 1999	3,290,949	7.56
Granted	291,037	12.73
Exercised	(1,088,546)	7.55
Cancelled	(200,041)	8.54
Outstanding at December 30, 2000	2,293,399	8.13
Granted	242,900	36.16
Exercised	(879,802)	7.63
Cancelled	(224,244)	7.47
Outstanding at December 29, 2001	1,432,253	$13.29

The following table summarizes information concerning currently outstanding and exercisable options:

	Options Outstanding			Options Exercisable	
Range of Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Price	Number Exercisable	Weighted Average Price
$ 6.00- 6.87	313,544	6.41	$ 6.43	140,169	$ 6.39
$ 6.88-10.93	723,350	5.25	7.87	572,726	7.53
$10.94-13.44	56,890	5.76	11.47	26,890	12.05
$13.45-53.85	338,469	6.35	31.53	51,969	37.58
	1,432,253	5.79	$13.29	791,754	$ 9.45

Options vest over a five-year period and must be exercised within seven to ten years from the date of the grant. Of the options at December 29, 2001, December 30, 2000, and December 25, 1999, 791,754, 1,521,790 and 2,325,445, respectively, were vested and exercisable with a weighted average exercise price at December 29, 2001, December 30, 2000, and December 25, 1999, of $9.45, $7.71, and $7.68, respectively.

1992 Employee Stock Purchase Plan

In May 1992, the Company adopted its 1992 Employee Stock Purchase Plan ("1992 Purchase Plan") to replace its Employee Stock Purchase Plan. The 1992 Purchase Plan was subsequently amended by the Board of Directors and Stockholders to increase the number of shares of Class A Common Stock reserved for issuance from 150,000 to 350,000. The 1992 Purchase Plan gives eligible employees the option to purchase Class A Common Stock (total purchases in a year may not exceed 10% of an employee's prior year compensation) at 85% of the fair market value of the Class A Common Stock at the date of purchase. There were 16,197 and 20,255 shares purchased with a weighted average fair value of purchase rights of $4.30 and $1.59 as of December 29, 2001 and December 30, 2000.

14. Defined Contribution Benefit Plan

The Au Bon Pain Employee 401(k) Plan ("Savings Plan") was adopted by the Company in 1991 under Section 401(k) of the Internal Revenue Code of 1986, as amended (Code). All employees of the Company, including executive officers, are eligible to participate in the Savings Plan. A participating employee may elect to defer on a pre-tax basis up to 15% of his or her salary, subject to the limitations imposed by the Code. This amount is contributed to the Savings Plan. All amounts vest immediately and are invested in various funds and Company Class A common stock as directed by the participant. The full amount in a participant's account will be distributed to a participant upon termination of employment, retirement, disability or death.

The Saint Louis Bread Company Employee 401(k) Plan ("Saint Louis Bread Savings Plan") was adopted by the former Saint Louis Bread Company in 1993 under Section 401(k) of the Internal Revenue Code of 1986, as amended. In 1997 the "Saint Louis Bread Savings Plan" was merged into the Au Bon Pain "Savings Plan". Plan participants of the "Saint Louis Bread Savings Plan" retained the matching contributions made through 1996 with a vesting schedule of seven years. There was no matching in 1999. The Company contributed approximately $.2 million and $.1 million toward matching participant contributions in 2001 and 2000, respectively.

15. Business Segment Information

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." The Company has three reportable business segments. The Company Bakery-Cafe Operations segment is comprised of the operating activities of the 110 bakery-cafes owned by the Company. These bakery-cafes sell fresh baked goods, made-to-order sandwiches on freshly baked breads, soups, salads, custom roasted coffees, and other complementary products through on-premise sales. All of the fresh dough products used by Company bakery-cafe operations are purchased from the Commissary Operations segment.

The Franchise Operations segment is comprised of the operating activities of the franchise business unit which licenses qualified operators to conduct business under the Panera Bread Company name and also to monitor the operations of these bakery-cafes. Under the terms of the agreements, the licensed operators pay royalties and fees to the Company in return for the use of the Panera Bread Company name.

The Commissary Operations segment supplies fresh dough and other proprietary frozen dough items to both Company-owned and franchise owned bakery-cafes. The fresh dough is sold to both Company-owned and franchised bakery-cafes at a cost equal to 27% of the retail value of the product. The sales and related costs to the franchise bakery-cafes are separately stated on the face of the consolidated statements of operations. The operating profit related to the sales to Company-owned bakery-cafes is classified as a reduction to cost of food and paper products on the consolidated statements of operations.

The accounting policies applicable to each segment are consistent with those described in footnote 2, "Summary of Accounting Policies".

Segment information for total assets and capital expenditures is not presented as such information is not used in measuring segment performance or allocating resources among segments.

	Dec. 29, 2001	Dec. 30, 2000	Dec. 25, 1999
Revenues			
Company Bakery-Cafe Operations	$157,684	$125,486	$156,738
Franchise Operations	19,577	12,059	7,384
Commissary Operations	36,489	24,696	18,315
Intercompany Sales Eliminations	(12,633)	(10,852)	(11,078)
Total Revenues	$201,117	$151,389	$171,359
Operating Profit			
Company Bakery-Cafe Operations	$ 30,678	$ 22,430	$ 24,616
Franchise Operations	16,883	9,818	5,646
Commissary Operations	1,892	1,583	747
Unallocated General and Administrative Expenses	(16,897)	(14,140)	(15,366)
Non-recurring charges (Footnote 5)	—	(494)	(5,545)
Operating Profit before depreciation and amortization expense	$ 32,556	$ 19,197	$ 10,098
Depreciation and Amortization Expenses			
Company Bakery-Cafe Operations	$ 6,620	$ 5,318	$ 4,425
Franchise Operations	—	—	—
Commissary Operations	1,316	979	677
Corporate Administration	2,903	2,115	1,277
Total Depreciation and Amortization Expenses	$ 10,839	$ 8,412	$ 6,379

16. Net Income (Loss) Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	For the fiscal years ended		
	December 29, 2001	December 30, 2000	December 25, 1999
Net income (loss) used in net income (loss) per common share — basic	$13,152	$ 6,853	$ (629)
Net income (loss) used in net income (loss) per common share — diluted	$13,152	$ 6,853	$ (629)
Weighted average number of shares outstanding — basic	13,892	12,557	12,137
Effect of dilutive securities:			
Employee stock options	551	532	—
Stock warrants	—	45	—
Weighted average number of shares outstanding — diluted	14,443	13,134	12,137
Per common share:			
Basic:			
Income (loss) before extraordinary item	$.95	$.55	$(.02)
Extraordinary loss on early extinguishment of debt	—	—	(.03)
Net income (loss)	$.95	$.55	$(.05)
Diluted:			
Income (loss) before extraordinary item	$.91	$.52	$(.02)
Extraordinary loss on early extinguishment of debt	—	—	(.03)
Net income (loss)	$.91	$.52	$(.05)

Options to purchase 18,333 shares of common stock, at an average price of $6.35 per share and warrants to purchase 45,608 shares of common stock at $5.62 per share were outstanding but were not included in the computation of diluted earnings per share for the fiscal year ended December 25, 1999 because the effect would have been antidilutive.

17. Deferred Revenue

During 1999, the Company changed soft drink providers. As a result of this change, the Company received an upfront payment of $2,530,000. These funds are available for both Company-owned and franchised bakery-cafes to cover costs of conversion and transition. The upfront payments are being allocated at a rate of $3,000 per applicable Company-owned and franchised bakery-cafe. The Company is then recognizing the $3,000 per Company-owned bakery-cafe over the five-year life of the soft drink contract. During fiscal year 2001 and 2000, the Company paid $252,000 and $225,000, respectively, to franchisees and is recognizing approximately $347,000 and $276,000, respectively, of income over the life of the contract related to Company-owned bakery-cafes.

18. Selected Quarterly Financial Data (unaudited)

The following table presents selected quarterly financial data for the periods indicated (in thousands, except per share data)

	April 21, 2001	July 14, 2001	October 6, 2001	December 29, 2001
Revenues	$53,275	$43,680	$48,487	$55,675
Operating profit	5,026	3,920	4,993	7,778
Net income	3,059	2,354	2,984	4,755
Basic earnings per share				
Net income	$.22	$.17	$.21	$.34
Diluted earnings per share				
Net income	$.21	$.16	$.20	$.32

	April 15, 2000	July 8, 2000	September 30, 2000	December 30, 2000
Revenues	$40,426	$32,294	$36,093	$42,576
Operating profit	2,540	3,246	2,475	2,524
Net income	1,515	1,933	1,644	1,761
Basic earnings per share				
Net income	$.12	$.16	$.13	$.14
Diluted earnings per share				
Net income	$.12	$.15	$.12	$.13

In the second quarter of 2000, the Company recorded a one-time gain of $.9 million before taxes related to the sale of the Au Bon Pain Division. This one time gain of $.9 million has been reclassified as a non-recurring charge in order to conform with the fourth quarter presentation of other offsetting ABP sale related charges (see Note 5). In the fourth quarter of 2000, the Company recorded a $.9 million pre-tax, non-recurring charge associated with the sale of the Au Bon Pain Division. Additionally, the Company recorded a $.5 million non-recurring charge related to the write-down of assets related to certain closed bakery-cafes.

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

None.

PART III

Information required by Part III (Items 10 through 13) is incorporated by reference to the Company's definitive proxy statement for its 2002 annual meeting of stockholders which is expected to be filed with the Securities and Exchange Commission on or before April 30, 2002. If for any reason such a proxy statement is not filed within such period, this Form 10-K will be appropriately amended.

PART IV

Item 14. ***Exhibits, Financial Statement Schedules, and Reports on Form 8-K***

(a) 1. *Financial Statements*

The following described consolidated financial statements of the Company are included in this report:

Report of Independent Accountants

Consolidated Balance Sheets as of December 29, 2001 and December 30, 2000.

Consolidated Statements of Operations for the fiscal years ended December 29, 2001, December 30, 2000, and December 25, 1999.

Consolidated Statements of Cash Flows for the fiscal years ended December 29, 2001, December 30, 2000, and December 25, 1999.

Consolidated Statements of Stockholders' Equity for the fiscal years ended December 29, 2001, December 30, 2000, and December 25, 1999.

Notes to Consolidated Financial Statements.

(a) 2. *Financial Statement Schedule*

The following financial statement schedule for the Company is filed herewith:

Schedule II — Valuations and Qualifying Accounts

PANERA BREAD COMPANY

VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

Description	Balance at beginning of period	Additions	Deductions	Balance at end of period
Allowance for Doubtful accounts Fiscal Year ended December 25, 1999	$ 208	$ 93	$104	$ 197
Fiscal Year ended December 30, 2000	$ 197	$ 86	$197	$ 86
Fiscal Year ended December 29, 2001	$ 86	$ 27	$ 46	$ 67
Deferred Tax Valuation Allowance Fiscal Year ended December 25, 1999	$4,742	$ —	$ —	$4,742
Fiscal Year ended December 30, 2000	$4,742	$ —	$123	$4,619
Fiscal Year ended December 29, 2001	$4,619	$ —	$ —	$4,619

(a) 3. *Exhibits*

See Exhibit Index incorporated into this item by reference.

(b) *Reports on Form 8-K*

The Company did not make any filings on Form 8-K during the quarter ended December 29, 2001.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PANERA BREAD COMPANY

By: /s/ RONALD M. SHAICH
Ronald M. Shaich
Chairman and Chief Executive Officer

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the date indicated:

Signature	Title	Date
/s/ RONALD M. SHAICH Ronald M. Shaich	Chairman and Chief Executive Officer	March 22, 2002
/s/ GEORGE E. KANE George E. Kane	Director	March 22, 2002
/s/ ROBERT GIAIMO Robert Giaimo	Director	March 22, 2002
/s/ DOMENIC COLASACCO Domenic Colasacco	Director	March 22, 2002
/s/ LARRY J. FRANKLIN Larry J. Franklin	Director	March 22, 2002
/s/ WILLIAM W. MORETON William W. Moreton	Executive Vice President, Chief Financial and Administrative Officer, Treasurer and Secretary	March 22, 2002

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Officers & Board of Directors

(As of April 2002)

Officers

Ronald M. Shaich
Chairman and Chief Executive Officer

William W. Moreton
Executive Vice President and Chief Financial Officer

Scott G. Davis
Senior Vice President and Chief Concept Officer

Jonathan R. Jameson
Senior Vice President and Chief Brand Officer

Michael J. Kupstas
Senior Vice President and Chief Franchise Officer

John M. Maguire
Senior Vice President, Company Operations and Bakery Supply Chain

Michael J. Nolan
Senior Vice President and Chief Development Officer

Mariel Clark
Vice President, Human Resources and Chief People Officer

Anthony M. Coleman
Vice President, Design Services

Marianne Graziadei
Vice President, Operational Tools and Training Services

Thomas C. Kish
Vice President and Chief Information Officer

Kathleen A. Kuhlenbeck
Vice President, Financial Planning and Corporate Services

Diane L. Parsons-Salem
Vice President, General Counsel

Kenneth E. Puzder
Vice President, Accounting Operations and Controller

Lawrence A. Rusinko
Vice President, Marketing

Directors

Ronald M. Shaich *(Chairman)*

Domenic Colasacco

Larry J. Franklin

Robert T. Giaimo

George E. Kane

Transfer Agent

EquiServe Trust Company NA
150 Royall Street
Canton, MA 02021

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Panera Bread & Saint Louis Bread Co.

"Best Of" Awards 2001

Bakery

Best Bakery
Chattanooga Times/Free Press
citysearch.com (Detroit, MI)
Folio Weekly (Jacksonville, FL)
Lake Sun Leader (Osage Beach, MO)
Metro Pulse: Best of Knoxville
Metrotimes (Detroit, MI)
Oklahoma Family Magazine
Orlando Magazine
Orlando Weekly
Social Recorder (Jacksonville, FL)
TulsaPeople Magazine

Best of the Best Bakery
Oklahoma Family Magazine

Best Bakery Chain
417 Magazine (Springfield, MO)

Best Bread Shop
GTR Newspaper (Tulsa, OK)

Best Bakery at the Lake
Lake Sun Leader (Osage Beach, MO)

Bread

Absolute Best Fresh Bread
Urban Tulsa Weekly

Best Bread
best-of-cincinnati.com
City Beat (Cincinnati, OH)
Jacksonville Magazine Online
Riverfront Times (St. Louis, MO)
Social Recorder (Jacksonville, FL)

Bagel

Absolute Best Bagels
Urban Tulsa Weekly

Best Bagel
Chattanooga Times/Free Press
Folio Weekly (Jacksonville, FL)
GTR Newspaper (Tulsa, OK)
Iowa City Press Citizen
Knoxville News Sentinel
Oklahoma City Daily News
Orlando Weekly
Riverfront Times (St. Louis, MO)
Social Recorder (Jacksonville, FL)
This Week Newspapers (Columbus, OH)

Breakfast

Best Business Breakfast
Orlando Business Journal

Lunch

Best Casual Lunch
Riverfront Times (St. Louis, MO)

Best Deal for Lunch
sunspot.net (Towson, MD)

Best Lunch
This Week Newspapers (Columbus, OH)

Best Lunches
icFlorida.com (SW Orlando, FL)

fresh loaves

Sandwich

Best Grilled Sandwiches
Columbus Monthly

Best Sandwich
Indianapolis Monthly
jsonline.com (Milwaukee, WI)
Knoxville News Sentinel
Metro Pulse: Best of Knoxville
North Shore (Chicago, IL)
Peoria Journal
Riverfront Times (St. Louis, MO)
The Squire South Express (Overland Park, KS)

Best Sandwich, Readers' Choice
Milwaukee Journal Sentinel

Best Deli/Sandwich
accessOKC.com (Oklahoma City, OK)

Best Deli/Sandwich Shop
Oklahoma Family Magazine
Sun Newspaper's Readers' Choice (Kansas City, MO)

Best Deal

Best Cheap Eats
citysearch.com (Orlando, FL)
citysearch.com (St. Louis, MO)

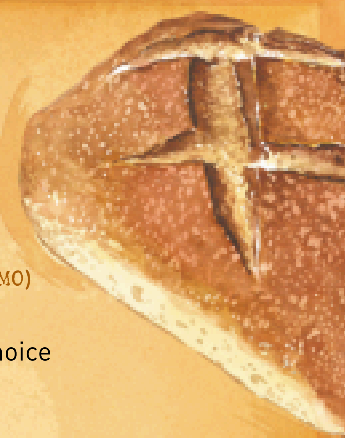
Best Cheap Eats, Audience Winner
citysearch.com (Orlando, FL)

Best Meal Under $10
Chattanooga Times/Free Press
Knoxville News Sentinel

Pastries

Best Pastries
Riverfront Times (St. Louis, MO)

Coffee House



Best Coffee House
417 Magazine (Springfield, MO)
Cleveland Scene
Daily Oklahoman Readers' Choice
Oklahoma City Daily News

General

Best of Council Bluffs
discoverOmaha.com

Best of Des Moines
515mag.com

Best of Omaha
The Reader

Best Oviedo Restaurants
icFlorida.com (SW Orlando, FL)

One of Pittsburgh's Best
citysearch.com (Pittsburgh, PA)

Misc.

Best Place to be Seen
Belleville News-Democrat (St. Louis, MO)

Best Vegetarian Food
citysearch.com (Orlando, FL)

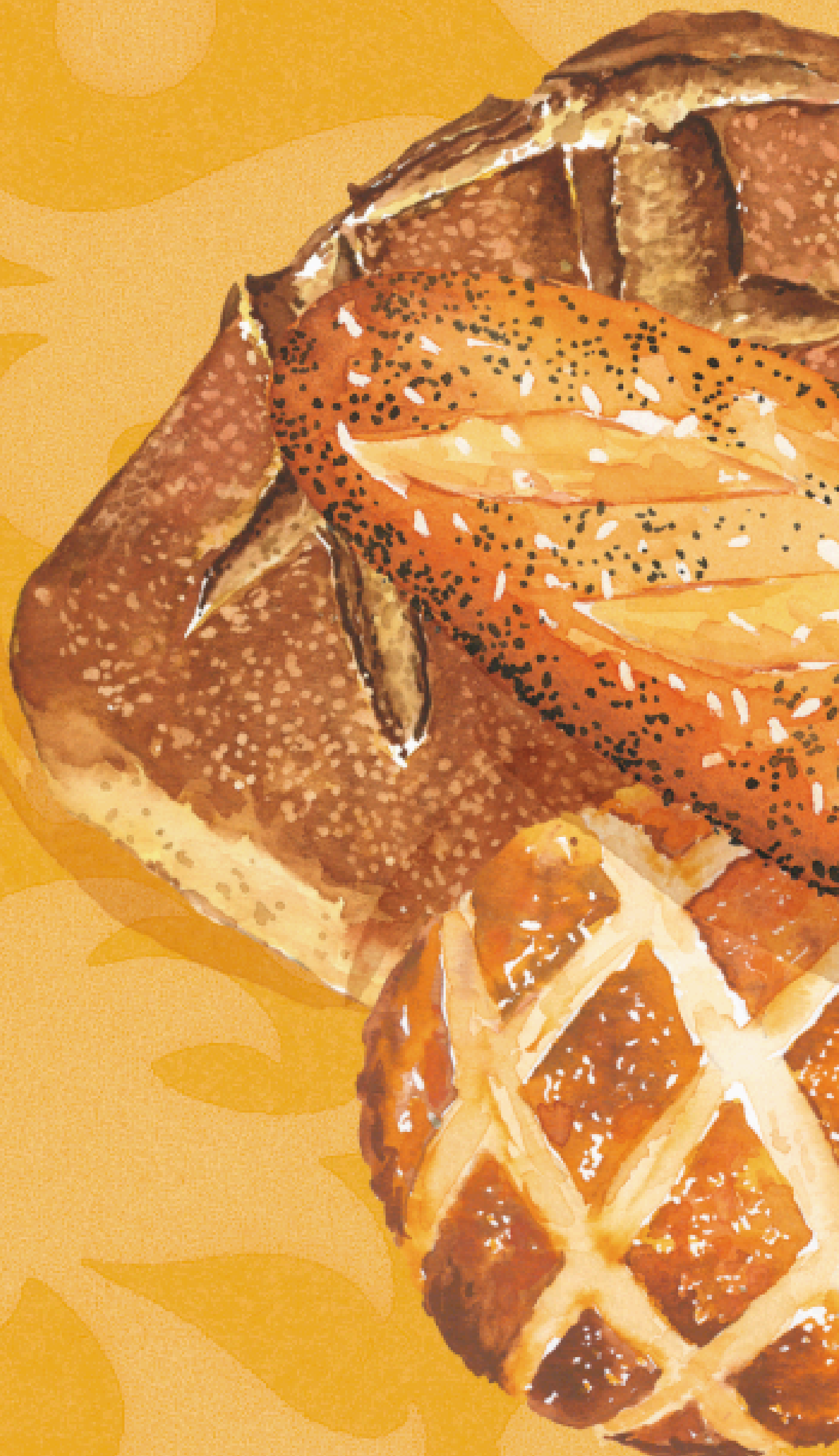
Fast & Fresh
Cincinnati Magazine

Best Comfort Food
citysearch.com (Orlando, FL)

Best Specialty Bakery Item
Daily Oklahoman Readers' Choice

Best Dayton Area Solo Dining
activeDayton.com

Bread



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