



Krispy Kreme Awards Development Rights for Greater Tokyo, Japan

WINSTON-SALEM, N.C., July 5 /PRNewswire-FirstCall/ -- Krispy Kreme Doughnuts, Inc. (NYSE: KKD) announced today that it has awarded the development rights for the greater Tokyo area of Japan to Krispy Kreme Doughnut Japan Co., Ltd., a joint venture between Revamp Corporation, Lotte Co., Ltd. and Takeo Shigemitsu, President and Representative Director of Lotte Co., Ltd. Lotte Shopping Co., Ltd., an affiliate of Lotte Co., Ltd., is Krispy Kreme's franchisee for South Korea and currently operates nine locations in that country. Krispy Kreme does not have an ownership position in Krispy Kreme Doughnut Japan Co., Ltd.

Krispy Kreme's development agreement with Krispy Kreme Doughnut Japan Co., Ltd. calls for the development of approximately 40 locations over the next five years in the Greater Tokyo area, with the first location scheduled to open in Tokyo in the fall.

"Japan represents an important market for Krispy Kreme as we expand our international reach," said Daryl Brewster, President and Chief Executive Officer of Krispy Kreme. "As we continue with the Company's turnaround, we plan to build on our international growth and look for additional opportunities to bring the Krispy Kreme experience to consumers around the world."

"We are pleased to expand our relationship with Lotte," said Jeff Welch, Krispy Kreme's Senior Vice President of International and Development. "Lotte successfully introduced Krispy Kreme to the South Korean marketplace and we look forward to working closely with them as we expand our Asian footprint in the Japan market."

"We have enjoyed much success with Krispy Kreme in South Korea and are excited to have this opportunity to introduce the brand to Japan," said Akio Shigemitsu, Managing Director of Lotte Co., Ltd. "We believe that Revamp Corporation will make an excellent partner due to its extensive knowledge of the Japanese consumer market."

"We are excited about the opportunity to partner with Lotte Co. to bring the Krispy Kreme brand to Tokyo," said Takashi Sawada, Managing Partner of Revamp Corporation. "We look forward to introducing Krispy Kreme and the signature Hot Original Glazed™ doughnut to new customers in Japan."

About Krispy Kreme

Founded in 1937 in Winston-Salem, North Carolina, Krispy Kreme is a leading branded retailer and wholesaler of high-quality doughnuts, including its signature Hot Original Glazed™. There are currently approximately 310 Krispy Kreme stores and 90 satellites operating systemwide in 43 U.S. states, Australia, Canada, Mexico, South Korea and the United Kingdom. Krispy Kreme can be found on the Internet at <http://www.krispykreme.com>.

About The Lotte Group

The Lotte Group, which includes Lotte Co., Ltd., is a large international conglomerate founded in 1948 in Tokyo. The Lotte Group consists of over 60 business units employing more than 60,000 people engaged in such diverse industries as confectionery manufacturing, beverages, hotels, fast food, retail, financial services, heavy chemicals, electronics, IT, construction, publishing, and entertainment. Its major operations are in Japan, South Korea, China, Philippines, Thailand, Indonesia, Vietnam and the United States of America.

About Revamp Corporation

Revamp Corporation supports companies facing a variety of business needs through reengineering fundamental management practices and boosting profitable growth. In March 2006, Revamp Corporation launched a water distribution joint venture in Japan. Representatives of Revamp are Tak Sawada, Gen Tamatsuka and Hiroshi Hamada, who all achieved fast paced business growth in Japan. Tak Sawada was COO of Fast Retailing Co., Ltd., known for its brand "UNIQLO." Gen Tamatsuka also managed Fast Retailing as the COO, succeeding Tak Sawada. Hiroshi Hamada managed Dell's operations in Japan, Korea and China for six years as President of Dell Japan Inc. Revamp's team members are professional experts with rich industry and consulting experiences.

Information contained in this press release, other than historical information, should be considered forward-looking. Forward-looking statements are subject to various risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those

anticipated, estimated or expected. Among the key factors that may have a direct bearing on Krispy Kreme's operating results, performance or financial condition are the outcome of the pending formal investigation by the United States Securities and Exchange Commission and the investigation by the United States Attorney's Office for the Southern District of New York, the pending shareholder class action, the pending shareholder derivative action, the pending ERISA class action, further actions by the Special Committee, our auditors' ongoing review of our financial statements, actions taken by lenders to the Company and its joint ventures and actions taken by our franchisees, dependence on the ability of our franchisees to execute on their business plans, supply issues, changes in consumer preferences and perceptions, the failure of new products or cost saving initiatives to contribute to financial results in the timeframe or amount currently estimated and numerous other factors discussed in Krispy Kreme's periodic reports and proxy statements filed with the Securities and Exchange Commission.

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SOURCE Krispy Kreme Doughnuts, Inc.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Krispy Kreme Doughnuts, Inc.'s business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.