CKE RESTAURANTS, INC.
2009 ANNUAL REPORT

Premium at a time like this?

Absolutely.

In this difficult economic environment, people appreciate quality more than ever. Many in the industry are lowering prices and cutting corners to drive sales. Not CKE. We continue to serve up the great-tasting, premium quality products that people crave. Fiscal 2009 blended same-store sales increased 1.7 percent at our company-operated restaurants, our sixth consecutive year of same-store sales growth, and both Carl's Jr.® and Hardee's® set annual average unit volume records.


Shakes &

Enthusiastic

at a time like this?

Absolutely.

With new locations, innovative products and a new look in many of our restaurants, we continue to give new and existing customers something to get excited about. And they're so enthusiastic about our brands — Carl's Jr. and Hardee's rank at or near the top of customer satisfaction surveys for taste of food, friendliness of service and cleanliness of our restaurants. Even in the toughest of times, we're proving that customers are willing to pay more for premium-quality products and our exceptional Six Dollar Service.

Monster Breakfast Sandwich™

Big Country® Breakfast Burrito

Little Thickburger™

Prime Rib Six Dollar Burger™

Pork Chop Biscuit

Western Bacon Six Dollar Burger®

Provocative

at a time like this?

Absolutely.

We keep pushing the boundaries with audacious advertising that commands attention from the media and, more importantly, from our key target audience: "prime" burger lovers, males ages 18 to 35. Our company has never been satisfied with the status quo — in our ads or in our menu. This year we introduced items like the Monster Breakfast Sandwich at Carl's Jr. and the Little Thickburger at Hardee's, a ¼-pound version of our classic — to keep our menu as provocative as our TV commercials.

Expanding

at a time like this?

Absolutely.

Our global footprint keeps growing — and flourishing. Seems people all over the world have a yen for our premium fare. And we're capitalizing on their tastes for quality. Last year, we signed 20 development agreements with new and existing franchisees representing commitments for 380 new restaurants, including 121 units in Texas.

We expect to open restaurants in China later this year, and plan to more than double our international presence to over 700 restaurants over the next five years.

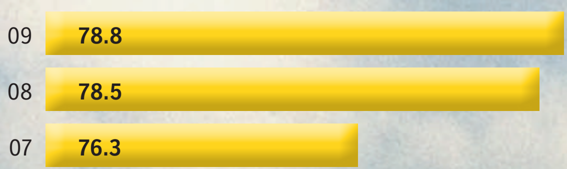
Hardee's in Saudi Arabia ▸


Hardee's
هارديز
برجر مشوي على اللهب
Hardee's
خروج
EXIT

Carl's Jr.

Average Unit Volume
(in $000, company-operated locations)

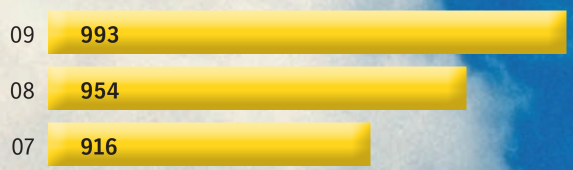
Restaurant Operating Costs
(as % of company-operated restaurants revenue)



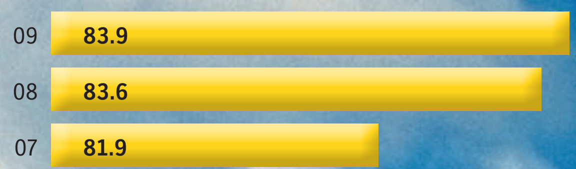
Same-Store Sales
(% change over prior year, company-operated stores)

Hardee's

Average Unit Volume
(in $000, company-operated locations)



Restaurant Operating Costs
(as % of company-operated restaurants revenue)



Same-Store Sales
(% change over prior year, company-operated stores)

CKE Restaurants

Restaurant Operating Costs
(as % of company-operated restaurants revenue)

Earnings Per Share
($, fully diluted, continuing operations)

Annual Adjusted EBITDA
($ in millions)

Refer to Item 7 of our Annual Report on Form 10-K, under the heading "Presentation of Non-GAAP Measures," for the reconciliation of net income to Adjusted EBITDA.

Profitable

at a time like this?

Absolutely.

We continued to reinvest in our businesses through remodels and dual-branding conversions without adding to our debt. We also reduced spending at the corporate level, thanks in part to the completion of our Hardee's refranchising initiative. We achieved double-digit percentage increases in net income and earnings per share and held our restaurant-level operating costs as a percentage of company-operated restaurants revenue steady versus the prior year.

Fellow Stockholders:

In fiscal 2009, our management team achieved very positive results despite being faced with an extremely difficult economic environment which included record commodity costs, the collapse of the credit and housing markets and reduced consumer spending. Nonetheless, by focusing on the quality of our food and service, along with a powerful marketing strategy, we increased same-store sales and average unit volumes at both Carl's Jr. and Hardee's. We held our restaurant-level operating costs in check while reducing general and administrative expenses. We successfully completed our Hardee's refranchising program and attracted new franchisees to our system. Finally, we grew net income, earnings per share (on a fully diluted basis) and Adjusted EBITDA. We accomplished all of this by remaining focused on serving our customers premium quality products at a reasonable price with great service in a clean and appetizing environment. This included the introduction of new sandwiches such as the Chili Cheese Burger and Little Thickburger.

A Year Of Growth

Net income from continuing operations for fiscal 2009 was $37.0 million, or $0.69 per diluted share, versus $35.1 million, or $0.57 per diluted share in the prior year. Consolidated restaurant operating costs as a percent of company-operated restaurants revenue remained steady for the year despite record commodity prices and minimum wage increases at the federal and state level and increased depreciation expense related to our ongoing remodel program.

Blended same-stores sales increased 1.7 percent, our sixth consecutive year of positive same-store sales. We achieved these gains while holding to our strategy of offering innovative, premium-quality menu items supported by cutting-edge advertising. Our systemwide store base increased by 36 net units in fiscal 2009, our second straight year of positive unit growth.

All of this can be attributed to a combination of understanding our customers' wants and, at the same time, properly controlling the costs of running the business. We can't control the economy. We can, however, control how we react during economic turmoil.

Two Stellar Brands

Carl's Jr. company-operated restaurants increased same-store sales 2.1 percent, the brand's ninth consecutive year of positive same-store sales. On a two-year cumulative basis, Carl's Jr. increased same-store sales 3.0 percent. During the year, Carl's Jr. featured Chili Cheese Burgers and Chili Cheese Fries, the Jalapeno Chicken Sandwich and Guacamole Bacon Burger. We also repositioned our breakfast daypart with the tagline "Breakfast as Big as our Burgers™" and introduced the Monster Breakfast Sandwich and Big Country Breakfast Burrito.

Hardee's company-operated restaurants increased same-store sales 1.2 percent, the brand's third consecutive year of positive same-store sales, and fifth in the past six years. On a two-year cumulative basis, Hardee's increased same-store sales 3.2 percent. In fiscal 2009, Hardee's introduced Little Thickburgers, a quarter-pound version of our traditional Thickburger.® Hardee's also maintained its position as a leader in the breakfast daypart with the introduction of Pork Chop 'N' Gravy Biscuit and the Ham & Three Cheese Breakfast Burrito.

To further establish our brands as the leaders in the premium-product category, last spring we introduced our most decadent "meat as a condiment" offering, the Prime Rib Burger. We also launched a commercial campaign featuring a fake restaurant complete with white tablecloths in which unsuspecting guests happily paid $14 or more for a variety of our Carl's Jr. and Hardee's charbroiled, 100 percent Black Angus beef burgers.

E. Michael Murphy, Byron Allumbaugh and Andrew F. Puzder

An Expanding Global Presence

A major opportunity for our company is franchisee development, both domestically and internationally. In fiscal 2009, we signed a total of 20 development agreements with new and existing franchisees representing commitments to build 380 restaurants. The most significant agreements include a 100-unit agreement to enter China and a 121-unit agreement for the Dallas and Houston markets. Subsequent to year end, we signed an additional development agreement for 72 units in Dallas and Houston. Over the next five years, we project that franchisees will account for roughly 75 percent of our total systemwide unit count versus 71 percent today, and international units will represent approximately 19 percent of our system versus 10 percent today. We opened our 300th international unit in fiscal 2009, as well as our 100th unit in Mexico. In addition to the previously mentioned China development agreement, we also signed agreements with franchisees to enter Pakistan and Kazakhstan. By fiscal 2014, we project we will more than double our current international presence to more than 700 restaurants.

A Strong Financial Position

We are successfully running our business and reinvesting in our brands through our Capital Plan. During fiscal 2009, we opened 24 company-operated restaurants, remodeled 61 Carl's Jr. and 101 Hardee's restaurants and completed a combined total of 41 dual-branded Green Burrito and Red Burrito restaurant conversions. We funded these expenditures while reducing our bank and other long-term debt by $36.3 million during the year.

Our credit facility is in place until March 2012 with very favorable terms, including minimal required principal payments on our term loan through 2011 and interest rates on our term loan and revolver that would be unobtainable in today's credit markets. As of the end of the year, we had $102 million available under the revolving portion of our credit facility, and are well below the required leverage ratio covenants.

Looking Ahead

Now, more than in recent memory, people are looking for quality and value in food. We are well positioned to provide consumers a great meal and a value price. Because of that, we are prepared to face the challenges likely to affect our business and the overall economy in the coming year. Our brands will remain focused on our customers by offering the innovative, premium-product strategy that we are known for, and we will emphasize the value of these items versus other dining options through our innovative, provocative advertising. We have a strong product pipeline that can drive same-store sales without sacrificing the profitability of our restaurants. We will continue to work on attracting quality franchisees who can assist us in attracting new customers in order to grow our brands both domestically and internationally. Finally, our company's financial position is strong and we intend to invest in our restaurants through remodels and dual-branding conversions without incurring additional debt.

We remain excited about the prospects for our brands and thank you for your continued support.

Byron Allumbaugh
Chairman of the Board

Andrew F. Puzder
Chief Executive Officer

E. Michael Murphy
President & Chief Legal Officer

Fiscal 2009 Highlights

- The Company and its franchisees opened 109 Carl's Jr. and Hardee's restaurants for a net unit gain of 36 restaurants, our second straight year of net unit growth.
- Blended same-store sales increased by 1.7 percent, our sixth consecutive year of positive blended same-store sales.
- Blended average unit volume increased $70,000 to $1,232,000. Both Carl's Jr. and Hardee's set annual average unit volume records.
- Restaurant-level operating costs as a percent of company-operated restaurants revenue held steady versus the prior year.
- The Company reported increases in net income, diluted earnings per share and Adjusted EBITDA.
- The Company refranchised 102 Hardee's restaurants, successfully completing its refranchising program.
- The Company signed 20 franchise development agreements with new and existing franchisees representing commitments for 380 new restaurants.
- The Company reduced its bank and other long-term debt by $36.3 million.

Ongoing Strategy

- Increase revenues, average unit volumes and operating income at Carl's Jr. and Hardee's.
- Increase company-operated development at Carl's Jr. and Hardee's in existing core markets and select new markets.
- Increase development of new franchised restaurants in the U.S. and licensed restaurants internationally for both brands.
- Remain focused on restaurant fundamentals — quality, service and cleanliness.
- Capitalize on our unique brand positioning and cutting-edge advertising.
- Offer premium products that compete on quality, innovation and taste while continuing to control restaurant-level operating costs.
- Continue to capitalize on dual-branding opportunities available with Green Burrito® and Red Burrito®
- Remodel our existing restaurant base to remain competitive.

Operating Highlights

Company-Operated Same-Store Sales

		Carl's Jr.	Hardee's
Fiscal 2009	Q1	3.9%	(0.6)%
	Q2	3.8%	3.3%
	Q3	0.5%	1.3%
	Q4	(0.6)%	1.5%
Fiscal 2008	Q1	0.0%	1.8%
	Q2	2.0%	2.9%
	Q3	0.7%	2.7%
	Q4	1.4%	0.4%

Restaurant Operating Costs*

		Carl's Jr.	Hardee's
Fiscal 2009	Q1	77.5%	83.1%
	Q2	79.3%	82.4%
	Q3	80.0%	84.7%
	Q4	79.0%	86.0%
Fiscal 2008	Q1	77.5%	82.0%
	Q2	79.6%	83.3%
	Q3	78.8%	84.3%
	Q4	78.6%	85.7%

*As a percentage of company-operated restaurants revenue.

Fiscal 2009
($000, except guest check figures)

	Carl's Jr.	Hardee's
Restaurants open		
Company-operated	416	482
Franchised and licensed	779	1,426
Total	1,195	1,908
Restaurant revenue		
Company	$ 625,109	$ 505,919
Franchised and licensed[1]	$ 894,611	$ 1,314,624
Company-operated restaurant data		
Average unit volume	$ 1,528	$ 993
Same-store sales	2.1%	1.2%
Same-store transactions	(0.6)%	(1.8)%
Restaurant operating costs	78.8%	83.9%
Average guest check	$ 7.01	$ 5.13

[1] Franchisee restaurant operations are not included in our Consolidated Statements of Income; however, franchised and licensed restaurants revenue result in royalties and rental revenue, which are included in franchised and licensed restaurants and other revenue.

Corporate Information

Directors

Byron Allumbaugh (A,C,D)
Chairman of the Board,
CKE Restaurants, Inc.
Consultant and Former Chairman
of the Board and CEO,
Ralphs Grocery Company

Peter Churm (B,D)
Former Chairman of the Board
and President, Furon Company

Matthew Goldfarb
Co-manager of Loan Trading,
Tradition North America

Carl L. Karcher
President, CLK, Inc.
(Carl's Jr. Franchisee)

Janet E. Kerr (B,C,D)
Professor of Law and Executive
Director of Geoffrey H. Palmer Center
for Entrepreneurship and the Law,
Pepperdine University School of Law

Daniel D. Lane
Chairman of the Board and CEO,
Lane/Kuhn Pacific, Inc.

Daniel E. Ponder, Jr.
Chairman of the Board and President,
Ponder Enterprises, Inc.
(Hardee's Franchisee)

Andrew F. Puzder (D)
Chief Executive Officer,
CKE Restaurants, Inc.

Jerold H. Rubinstein (A,C,D)
Chairman,
U.S. Global Investors, Inc.

Frank P. Willey (A,B)
Vice Chairman of the Board,
CKE Restaurants, Inc.,
Vice Chairman of the Board,
Fidelity National Financial, Inc.

(A) Member of the Audit Committee
(B) Member of the Compensation Committee
(C) Member of the Nominating & Corporate Governance Committee
(D) Member of the Executive Committee

CKE Restaurants, Inc. Management Team

Andrew F. Puzder
Chief Executive Officer

Theodore Abajian
Executive Vice President and
Chief Financial Officer

Richard Buxton
Executive Vice President,
Real Estate Development

Jeffrey P. Chasney
Executive Vice President and
Chief Information Officer

John J. Dunion
Executive Vice President,
Supply Chain Management

Richard E. Fortman
Executive Vice President,
Carl's Jr. Operations

Noah J. Griggs, Jr.
Executive Vice President,
Training

Brad R. Haley
Executive Vice President,
Marketing

E. Michael Murphy
President and Chief Legal Officer

Robert Starke
Executive Vice President,
Hardee's Operations

Reese Stewart
Senior Vice President,
Chief Accounting Officer

Annual Meeting

The annual meeting of stockholders will be held on June 25, 2009 at 10:00 a.m. Central Time at:

The Ritz-Carlton
100 Carondelet Plaza
St. Louis, Missouri 63105
314.863.6300

The meeting will also be broadcast live over the Internet at www.ckr.com under "Investors."

Independent Auditors

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Irvine, California 92618

Counsel

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Newport Beach, California 92660

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