

**Chief Executive's Address
Annual Shareholders' Meeting
26 June 2014**

Thank you Ted

As you have heard this year has been a good one for the company. I will give you a brief run down by brand on our performance and then provide some insights into our capabilities and strategic direction.

Virtually all brands delivered an increase in total sales on prior year, up 5.6% in total. KFC was up \$4.5 million to \$241.5 million and Carl's Jr (on the back of new store roll outs) saw sales reach \$14.3 million. Pizza Hut sales increased to \$48.4 million despite having six less stores and Starbucks total sales were flat at \$25.0 million.

Total brand EBITDA was up 3.9% to \$53.5 million with a slightly softer performance from KFC (\$44.5 million) more than offset by another sterling year for Pizza Hut - up 44.8% to \$5.5 million and Starbucks Coffee up 19.4% to \$3.5 million. Carl's Jr returned from an EBITDA loss to breakeven for the year.

Total store numbers were flat to prior year at 176 with the sale of six Pizza Hut stores offset by new Carl's Jr store builds.

I'd now like to focus on the future and where Restaurant Brands is going in terms of our broader strategic direction.

Our mission is to be the "Best Cost Provider of Franchise Food Systems". In order to achieve this we need to be a best-in-class employer, investment partner and community partner. Delivering on these outcomes will position the business to where franchise system food brand owners want Restaurant Brands to represent and operate their brand in New Zealand.

We already have evidence of progress towards this outcome with a number of food brand owners already coming to Restaurant Brands as their first "port of call" when seeking to develop their brand presence in this country and we are frequently presented with franchise options that require evaluation.

As you can see from the slide, our brands occupy a number of strong positions in the competitor set; there are however opportunities for growth with several food segments not yet part of the Restaurant Brands portfolio.

We have been progressively building a "one system" approach to the management and development of our brand portfolio.

We operate across all our stores many common functions such as Food Safety, Supply Chain, Information Systems, Human Resources, Health and Safety and Loss Prevention all to the same high standards. Other areas such as digital platforms for communicating and interacting with our customers, leveraging advertising spend and customer relationship management also see these consistent standards of management across all brands.

Building a Best Cost Franchise Food Systems business requires investment in a solid foundation. The biggest challenge for growth is attraction and retention of suitable staff to work in the fast food environment. Our centralised recruitment centre has improved the employment processes and reduced employment risk significantly, but ensuring enough suitable candidates are entering the workforce in our sector is an ongoing task. We have recently run a series of career expos around the country and a Restaurant Brands 'Just the Job' TV programme series (featuring employment in each brand) has just featured on TV2. A DVD of the full series was playing as you came into the meeting.

As human connectivity and availability of information continues to grow at an exponential rate, we are increasingly aware of how vital technology is to the future of our business and therefore we will continue to invest in multiple technology areas. Connecting with customers on their terms is vital for building a sustainable business.

The KFC Facebook page is now the second largest page in this country (just behind Air New Zealand) with more than double the average customer interactions of any of its competitors. Over the past three years Restaurant Brands has built an entire team engaged in working online with our customers across several social media platforms. Further investment is required in upgrading websites and introducing new mobile technologies such as remote ordering, loyalty applications and CRM programmes, which are ideally suited for the fast food category.

KFC and Carl's Jr. have moved to new digital menu technology in stores providing us with "real time" ability to update menu offerings in response to different day parts and customer needs.

As part of the ongoing training and development of our staff we have introduced "e-learning" across our KFC and Pizza Hut brands. This function enables us to provide interactive online training for all our store staff with centralised tracking of their learning progress.

Our loss prevention systems are also advanced, linking sophisticated exception tracking software to closed circuit TV cameras, vastly reducing opportunity for fraud and theft and making our stores much safer places for customers and staff alike.

Restaurant Brands has, as you will have read in the annual report, a series of core competencies not only in the running of our stores, but also in the above-store and back of house support that is vital to keep the brands operating.

This encompasses store design and development capability – further building on the immensely successful new KFC design, but also a bold new look for the Carl's Jr stores and further refinements in our other brands. We pride ourselves in taking the essence of a brand's store design and making it work locally.

New product development is another strength we continue to build on. Again we take the best of what our franchisors have to offer in terms of new products worldwide and, where required, modify them to the New Zealand palate. We also develop a number of our products in-house with great success.

After a number of years of contracting out our supply chain functions we have this year decided to bring it back in house. As a fundamental part of our business model we determined it was appropriate to retake control of the warehousing and distribution of our raw ingredients to our stores. This initiative is expected to deliver more efficiencies in sourcing and delivering this product.

As you can see from the annual report we have now started formally reporting to our shareholders on how we are striving towards better environment and community outcomes.

Our community involvement sees our continued support of Surf Lifesaving New Zealand, with both donations and in-store fundraising. Other worthwhile causes we regularly support include: World Hunger Relief and the NZ Gynaecological Cancer Foundation. We were instrumental in raising over \$240,000 for these causes last year.

We also take our responsibilities to our staff seriously. As part of being a best in class employer we recognise that the safety of our staff and customers is paramount. All employees are required to undergo safety training and demonstrate ongoing competency. We have been for a number of years accredited at the Tertiary Level for the ACC Accredited Employers programme.

Diversity is important to us and we recognise the benefits that diversity can bring to an organisation. From a gender diversity viewpoint I am pleased to say 52% of our employees and 40% of our senior management are female.

Food is our business and we are passionate about constantly improving the quality and nature of our product offerings. Food safety is paramount in our stores and we have extensive quality control systems for our food at all stages of the supply chain and preparation process.

We are also not immune to the challenges of the obesity issue in New Zealand. We encourage our customers to enjoy our food in moderation, but more importantly we are making big strides towards improving the inherent nutritional composition of our products.

Three years ago we shifted from using palm oil to 100% canola and sunflower oil. We are actively reducing the amount of sodium across the menu wherever possible and reducing the amount of sugar content in ingredients.

All these initiatives will go some way towards bringing a healthier product offering to our loyal customers. We are also transparent about the nutritional content of our products, making detailed nutritional information available in stores and on our websites.

We also remain conscious of our environmental responsibilities and the conservation of our resources. To that end we recycle up to 80% of our packaging and all the oil from our stores and are working on eliminating all plastic bags from our businesses.

Energy conservation makes economic as well as environmental sense and we make effective use of energy management systems including peak load reduction, use of sensors for exterior lighting and a progressive move to gas hot water heating. Our stores also increasingly show more energy efficient building design features such as double glazing, insulation and energy efficient air conditioning systems.

In conclusion I want to assure shareholders that Restaurant Brands is a business going from strength to strength. We have the core competencies, the financial muscle and scale to capitalise on any opportunities that do arise as we continue to roll out our strategies to add more value to our existing brands.