

8 March 2018
ASX/NZX

Restaurant Brands' Full Year Sales Exceed \$740 million, up 49% following Australian and Hawaiian Acquisitions

Restaurant Brands' total sales for the 12 months ended 26 February 2018 were \$740.8 million, up 49.0% on the prior year.

Restaurant Brands' Chairman Ted van Arkel expressed the Board's satisfaction with this result which was a further milestone towards the company's \$1 billion annual sales objective.

New Zealand operations generated sales of \$421.4 million, up 5.4% on a total basis and 5.6% on a same store basis. Australian KFC outlets produced sales of \$151.8 million, up 56.2% on a total store basis, and 8.6% on a same store basis. Hawaiian operations generated sales of \$167.5 million from the 82 stores acquired in March 2017.

Restaurant Brands' total sales during the fourth quarter of the financial year (12 weeks ended 26 February 2018) were \$181.3 million, an increase of 49.1% or \$59.7 million on the equivalent period last year.

The bulk of the quarterly increase (\$39.4 million) came from the 37 Taco Bell and 45 Pizza Hut outlets in Hawaii, Guam and Saipan acquired in March 2017. A further \$15.6 million came from newly acquired KFC stores in Australia with \$4.7 million from New Zealand operations.

Group same store sales for the quarter were up 5.1% with New Zealand operations up 4.5% and Australia up 6.8%.

Total company store numbers were up by 102 on the equivalent period last year to 314, primarily from the 82 store Hawaiian acquisition and a further 18 KFC stores acquired in Australia.

KFC New Zealand

Full year sales for KFC New Zealand were \$319.6 million, an increase of 7.8% on a total sales basis and up 6.2% on a same store basis.

Fourth quarter sales for KFC New Zealand were \$75.7 million, an increase of 7.1% on the equivalent period last year on a total sales basis and up 5.0% on a same store basis.

Store numbers increased by one to 94 during the quarter with the opening of a new store at Christchurch Airport. Store numbers were two up on the same period last year.

Pizza Hut New Zealand

Full year sales for Restaurant Brands-owned Pizza Hut stores were \$41.1 million, an increase of 1.5% on a total basis, and up 8.1% on a same store basis.

Total fourth quarter sales for Restaurant Brands-owned Pizza Hut stores were \$9.0 million, an increase of 0.2% on the equivalent period last year, because of sales of stores to independent franchisees in previous quarters. Same store sales for the quarter increased by 4.5%.

Network total sales for the full year were \$100.7 million, an increase of 10.0%. Network total sales for the quarter were \$22.8m, an increase of 6.4%.

Company owned store numbers increased by two during the quarter to 36, with the opening of new stores at Tamatea and Glenfield Mall. There are now 61 Pizza Huts operated by independent franchisees, bringing the total network to 97 stores.

Starbucks Coffee

Full year sales for Starbucks Coffee were \$25.8 million, an increase of 6.3% on a same store basis.

Starbucks Coffee total sales for the fourth quarter were \$6.4 million, a 2.1% decrease on the equivalent period last year. Same store sales for the quarter were up 5.7%.

Store numbers decreased by one to 22 with the closure of the Newmarket store due to the rebuilding of the mall, and two down on prior year.

Carl's Jr.

Full year sales for Carl's Jr. were \$34.9 million, a decrease of 2.6% on a same store basis.

Total sales for the fourth quarter were \$8.0 million, down 2.5% following the closure of the Otahuhu store at the end of last year. On a same store basis sales were down by 0.4%.

Store numbers remained constant at 19 during the year.

KFC Australia

Restaurant Brands started the year with 42 KFC stores in New South Wales, Australia. During the first quarter the company acquired five KFC stores from independent franchises. Three independent franchise and eight Yum! KFC stores were acquired in the third quarter along with one new store opening. During the fourth quarter an additional two Yum! KFC stores were acquired, bringing store numbers to 61.

Full year sales for KFC Australia were \$A139.5 million (\$NZ151.8 million), an increase of 50.9% on a total store basis and 4.9% on a same store basis.

The 61 stores contributed \$A39.1 million (\$NZ42.7 million) in total sales during the fourth quarter, up 2.4% on a same store basis.

Taco Bell and Pizza Hut Hawaii

On 7 March 2017 Restaurant Brands acquired 37 Taco Bell and 45 Pizza Hut stores in Hawaii, Guam and Saipan.

The 82 acquired stores contributed sales of \$US119.8 million (NZ\$167.5 million) for the 51 weeks since acquisition.

Total sales for the fourth quarter were \$US28.6 million (\$NZ39.4 million).

Of the 82 stores, the Taco Bell and Pizza Hut stores located at Pearl Harbour are temporarily closed due to ongoing infrastructure work on the base and are scheduled to reopen in April 2018.

Full Year Result

Restaurant Brands will be announcing its full year trading results on Tuesday 17 April.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4)

(for the 12 weeks 05/12/2017 to 26/02/18)

	2017/18 (\$000's)	2016/17 (\$000's)	Change
<u>Q4 2017/18 vs Q4 2016/17</u>			
Total Store Sales - KFC New Zealand	75,741	70,726	7.1%
Total Store Sales - Pizza Hut New Zealand	8,991	8,977	0.2%
Total Store Sales - Starbucks Coffee	6,416	6,555	-2.1%
Total Store Sales - Carl's Jr.	8,039	8,248	-2.5%
Total Store Sales - New Zealand	99,187	94,506	5.0%
Total Store Sales - KFC Australia *	42,701	27,072	57.7%
Total Store Sales - Taco Bell *	22,115	-	-
Total Store Sales - Pizza Hut Hawaii *	17,300	-	-
Total Store Sales - Hawaii *	39,415	-	-
Total Store Sales	181,303	121,578	49.1%
Same Store Sales - KFC New Zealand	73,501	69,995	5.0%
Same Store Sales - Pizza Hut New Zealand	8,690	8,313	4.5%
Same Store Sales - Starbucks Coffee	6,340	5,999	5.7%
Same Store Sales - Carl's Jr.	7,958	7,987	-0.4%
Total Same Store Sales - New Zealand	96,489	92,293	4.5%
Same Store Sales - KFC Australia *	28,824	26,993	6.8%
Same Store Sales - Taco Bell *	N/A	-	-
Same Store Sales - Pizza Hut Hawaii *	N/A	-	-
Total Same Store Sales - Hawaii *	N/A	-	-
Total Same Store Sales	125,313	119,285	5.1%
<u>YTD 2017/18 vs YTD 2016/17</u>			
Total Store Sales - KFC New Zealand	319,597	296,466	7.8%
Total Store Sales - Pizza Hut New Zealand	41,111	40,492	1.5%
Total Store Sales - Starbucks Coffee	25,818	26,693	-3.3%
Total Store Sales - Carl's Jr.	34,921	36,347	-3.9%
Total Store Sales - New Zealand	421,447	399,998	5.4%
Total Store Sales - KFC Australia *	151,844	97,181	56.2%
Total Store Sales - Taco Bell *	95,487	-	-
Total Store Sales - Pizza Hut Hawaii *	71,997	-	-
Total Store Sales - Hawaii *	167,484	-	-
Total Store Sales	740,776	497,179	49.0%
Same Store Sales - KFC New Zealand	313,387	294,997	6.2%
Same Store Sales - Pizza Hut New Zealand	40,600	37,568	8.1%
Same Store Sales - Starbucks Coffee	25,710	24,188	6.3%
Same Store Sales - Carl's Jr.	34,487	35,398	-2.6%
Total Same Store Sales - New Zealand	414,184	392,150	5.6%
Same Store Sales - KFC Australia *	105,261	96,912	8.6%
Same Store Sales - Taco Bell *	N/A	-	-
Same Store Sales - Pizza Hut Hawaii *	N/A	-	-
Total Same Store Sales - Hawaii *	N/A	-	-
Total Same Store Sales	519,445	489,062	6.2%

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Summary of Results for the 4th Quarter (Q4)

(for the 12 weeks 05/12/2017 to 26/02/18)

<u>NUMBER OF STORES OPEN AT QUARTER END</u>	2017/18 (\$000's)	2016/17 (\$000's)	Change
KFC New Zealand	94	92	2
Pizza Hut New Zealand	36	35	1
Starbucks Coffee	22	24	-2
Carl's Jr.	19	19	-
Total - New Zealand	171	170	1
Total - KFC Australia	61	42	19
Taco Bell	37	-	37
Pizza Hut Hawaii	45	-	45
Total - Hawaii	82	-	82
Total Stores	314	212	102
<u>AUSTRALIAN SALES IN AUD</u>			
Q4 2017/18 vs Q4 2016/17			
Total Store Sales - KFC Australia	39,067	25,838	51.2%
Same Store Sales - KFC Australia	26,371	25,762	2.4%
YTD 2017/18 vs YTD 2016/17			
Total Store Sales - KFC Australia	139,527	92,471	50.9%
Same Store Sales - KFC Australia	96,722	92,214	4.9%
<u>HAWAIIAN SALES IN USD</u>			
Q4 2017/18 vs Q4 2016/17			
Total Store Sales - Taco Bell	16,048	-	-
Total Store Sales - Pizza Hut Hawaii	12,554	-	-
Total Store Sales - Hawaii	28,603	-	-
Same Store Sales - Taco Bell	N/A	-	-
Same Store Sales - Pizza Hut Hawaii	N/A	-	-
Total Same Store Sales - Hawaii	N/A	-	-
YTD 2017/18 vs YTD 2016/17			
Total Store Sales - Taco Bell	68,295	-	-
Total Store Sales - Pizza Hut Hawaii	51,493	-	-
Total Store Sales - Hawaii	119,787	-	-
Same Store Sales - Taco Bell	N/A	-	-
Same Store Sales - Pizza Hut Hawaii	N/A	-	-
Same Store Sales - Hawaii	N/A	-	-
Some Sales numbers for each of the concepts may not aggregate in total due to rounding.			
* Note:			
- Blended AUD:NZD rate for Q4	0.915	0.954	-0.040
- Blended AUD:NZD rate for YTD	0.919	0.952	-0.033
- Blended USD:NZD rate for Q4	0.726	-	-
- Blended USD:NZD rate for YTD	0.715	-	-