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NZX

Restaurant Brands Third Quarter Sales

Restaurant Brands today announced total sales for the 12 weeks ended 4 December 2006 of \$67.8 million, an increase of 2.7% on the equivalent period last year. Total same store sales increased 3.6%.

Chief Executive Vicki Salmon said an exceptional performance from the company's transformed KFC brand contributed to the strong quarter.

"We continue to be pleased with the results of our investment in KFC, which is resulting in improved sales performance across all stores, not just those that have been remodeled," said Chief Executive Vicki Salmon. "While still a tough environment, we believe that Pizza Hut New Zealand sales have stabilised over the past six weeks as a result of the changes we have made in this business."

Third quarter sales results do not include Pizza Hut Victoria which was classified as a discontinued operation at the half year.

KFC

Successful promotional activity and the ongoing positive impact of transformation contributed to a surge in KFC sales during the quarter. Total sales increased 7.8% to \$42.2 million, with same store sales increasing 10.9%.

This was achieved despite the closure of four stores undergoing transformation for much of the period.

"Our transformation strategy, which reaches well beyond a store remodel to include operational improvements and new menu items in all stores, is clearly paying off," said Salmon.

Successful new product releases including *Boneless* chicken and *Hot Rods* also contributed to the strong sales performance.

During the quarter, four stores reopened following transformation, two in Auckland, and one each in Christchurch and Palmerston North, bringing the total number of transformed stores to 21.

A new store at Rototuna (Hamilton) opened at the end of the quarter bringing store numbers to 87.

KFC year to date sales totaled \$138.1 million, up 6.3% on prior year and 6.8% on a same store basis.

Pizza Hut New Zealand

The competitive environment continued to impact Pizza Hut New Zealand sales, which declined 9.8% on the prior year. On a same store basis, sales declined 10.9%.

A number of operational improvements were made during the quarter resulting in a reduction in staff turnover and an improvement in customer satisfaction surveys.

“We believe this business has now stabilised and are working hard to return it to positive sales territory,” said Salmon.

Year to date total sales are \$62.5 million, down 11.0% on prior year and 13.0% on a same store basis.

Store numbers declined by one over the quarter with the closure of one dine-in restaurant at lease end bringing store numbers to 105.

Starbucks Coffee

Starbucks Coffee continued to deliver sales growth in the third quarter, with same store sales up 3.8% and total sales up 11.4% to \$7.1 million.

“We are pleased with the consistent growth being achieved from this business. This quarter saw Starbucks Coffee achieve the twelfth consecutive increase in same store sales,” said Salmon.

Year to date growth was 12.7% to total sales of \$23.4 million. Sales were up 2.9% on a same store basis.

Store numbers increased by one to 46 with the opening of a new store in Symonds St, Auckland.

Discontinued Operations

As announced on 30 November, the exit from Pizza Hut Victoria will be completed by the end of the financial year in February 2007, ahead of originally scheduled and more than a year before the end of many of the franchise agreements.

Year to date total sales declined 7.3% to \$A18.4 million with stores being sold to new franchisees.

Continued Interest

In its release on 30 November, the company indicated that it was in discussions with parties who had approached the company and expressed an interest in participating in its future. These discussions are continuing and remain at an early stage. The company will keep shareholders informed as appropriate.

RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 3rd Quarter (Q3)

(for the 12 weeks 12/9/06-4/12/06)

	Q3 2006/7 (\$000's)	Q3 2005/6 (\$000's)	% change
<u>Q3 2006/7 vs Q3 2005/6</u>			
Total Store Sales - KFC	42,243	39,192	7.8%
Total Store Sales - Pizza Hut NZ	18,406	20,410	-9.8%
Total Store Sales – Starbucks	7,128	6,401	11.4%
Total NZ Concepts	67,777	66,003	2.7%
Total Store Sales - Pizza Hut Victoria*	5,915	5,797	2.0%
TOTAL STORE SALES	73,692	71,800	2.6%
Same Store Sales - KFC	41,514	37,440	10.9%
Same Store Sales - Pizza Hut NZ	17,896	19,942	-10.3%
Same Store Sales – Starbucks	6,638	6,397	3.8%
Total NZ Concepts	66,048	63,779	3.6%
Same Store Sales - Pizza Hut Victoria**	5,914	6,037	-2.0%
TOTAL SAME STORE SALES	71,962	69,816	3.1%
<u>YTD 2006/7 vs YTD 2005/6</u>			
Total Store Sales - KFC	138,080	129,950	6.3%
Total Store Sales - Pizza Hut	62,530	70,279	-11.0%
Total Store Sales – Starbucks	23,384	20,749	12.7%
Total NZ Concepts	223,994	220,978	1.4%
Total Store Sales - Pizza Hut Victoria*	21,701	21,424	1.3%
TOTAL STORE SALES	245,695	242,402	1.4%
Same Store Sales - KFC	134,794	126,171	6.8%
Same Store Sales - Pizza Hut	60,129	69,088	-13.0%
Same Store Sales – Starbucks	21,148	20,547	2.9%
Total NZ Concepts	216,071	215,806	0.1%
Same Store Sales - Pizza Hut Victoria**	21,689	23,024	-5.8%
TOTAL SAME STORE SALES	237,760	238,830	-0.4%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	87	87	
Qtr End no of Stores - Pizza Hut	105	105	
Qtr End no of Stores – Starbucks	46	42	
Total Stores - NZ Concepts	238	234	
Qtr End no of Stores - Pizza Hut Victoria	33	50	
TOTAL QTR END NO OF STORES	271	284	

* Includes favourable impact of foreign exchange movements of approximately 6.5%.

** Same store sales prior year comparatives are restated to current year exchange rates to enable like comparison. The following table shows sales performance in Australian Dollars.

Pizza Hut Victoria Sales Performance - AUD	Q3 2006/7 (\$000's)	Q3 2005/6 (\$000's)	% change
<u>Q3 2006/7 vs Q3 2005/6</u>			
<i>Average AUD/NZD translation rate</i>	<i>0.88</i>	<i>0.94</i>	
Total Store Sales	5,192	5,436	-4.5%
Same Store Sales	5,191	5,298	-2.0%
<u>YTD 2006/7 vs YTD 2005/6</u>			
<i>Average AUD/NZD translation rate</i>	<i>0.85</i>	<i>0.93</i>	
Total Store Sales	18,442	19,885	-7.3%
Same Store Sales	18,432	19,554	-5.7%