

12 March 2009
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RESTAURANT BRANDS FOURTH QUARTER SALES

Restaurant Brands' total sales across its three businesses for the fourth quarter (13 weeks ended 2 March 2009) were \$77.2 million, an increase of 1.5% on the equivalent 12 week quarter last year¹. On a same store basis, the company's sales grew 3.9% for the quarter, a satisfactory result in the current climate.

Sales for the year (53 weeks) were \$309.1m, up 1.8% on the previous year, but on a 52 week equivalent, sales were flat (-0.1%) to prior year. Sales for the year on a same store basis grew 1.6%, mainly driven by growth in the KFC business.

KFC continues to grow strongly, with same store sales up 5.5% on the equivalent quarter last year and total sales were also up 4.3%. The continuing success of the KFC store transformation, strong promotional calendar and product offering have contributed to continued sales growth in all stores right across the brand.

Pizza Hut experienced a slight decline in same store sales of 1.2% which, although disappointing in direction, was nevertheless a continuing improvement in a very competitive market. Total store sales were down 4.8% for the equivalent quarter, largely as a result of store closures. There has been continuing progress in improving the brand's in-store operations and with changes in marketing strategies.

Starbucks Coffee's quarterly same store sales increased by 3.6% against prior year, although total sales were down 2.7%, also because of store closures.

KFC

KFC delivered another quarter of strong sales growth. The company's biggest brand, contributing 69% of total sales for the quarter, produced a sales increase of \$2.0 million for the equivalent quarter to a total of \$53.3 million.

This result is 4.3% up on the prior year and up 5.5% on a same store sales basis.

For the full year, total sales exceeded \$200 million for the first time at \$211.5m, an increase of 4.3% over the equivalent prior year and 4.1% up on a same store basis. This is up on the 7.7% same store sales growth in the previous year and marks the fifth consecutive year of solid same store sales growth for the brand.

KFC continues to derive strong leverage from the investment in transformation of stores, with a total of 34 stores completed of the 84 stores in the network. More transformations are planned in the next financial year. Growth is also continuing at most of the non-transformed stores with the solid positive perception of the brand. Successful promotional activity such as *Mashies*, *Mega Music Meal* and *Wicked Bucket*, as well as innovations in the form of *Zinger Maxx* and *Country Crunch*, also contributed to the strong sales performance. In addition, KFC successfully introduced a "Top Up" menu option, enhancing sales value per customer.

¹ Results for the 2008/09 financial year are on a 53 week basis vs 52 weeks for the previous year. Because the company normally uses a 52 week (364 day) year, a "leap" year is occasionally required. Unless stated otherwise all comparative % and dollar changes in sales are restated to a 52 week equivalent.

Total store numbers remained constant at 84 (with three stores closing at the end of the previous quarter), although down three on the prior year. The closure of these stores was earnings positive for the brand.

Pizza Hut

Total sales for Pizza Hut during the quarter were \$15.4 million, down 1.2% on a same store basis and 4.8% in total compared with the equivalent prior year. The Pizza Hut business continues its turnaround, with same store sales for the previous three quarters having been -4.3%, -11.1% and -7.1% respectively.

For the full year, total sales of \$64.6m are down 6.5% same store on prior year and down 11.2% in total with four less stores.

During the quarter, the *More4All* returned with some success and the new *Triple Dippers*, as well as additional side items, also performed satisfactorily.

Store numbers were reduced by one over the quarter to 93 outlets nationwide, with the closure of a poor performing store in the lower North Island.

Starbucks Coffee

Starbucks Coffee total quarterly sales were \$8.5 million, up 3.6% on the prior year on a same store basis, but down 2.7% in total with two less stores than at last year end.

Some benefit was felt from price increases during the quarter to assist in recovering increased input prices.

Store numbers were 42 at quarter end.

Starbucks Coffee finished the year with sales of \$33.0 million, up 3.6% same store but down slightly (2.0%) in total with less store numbers.

Trading Results

The company will make its annual profit announcement on 9 April. As previously advised, trading profit will be in the vicinity of \$11 million.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

**Summary of Results for the 4th Quarter (Q4)
(for the 13 weeks 02/12/2008 to 02/3/2009)**

| | Q4 2008/9 (\$000's) Includes 53rd week | % change |
|--|---|---------------------|
| <u>Q4 2008/9 vs Q4 2007/08</u> | | |
| Total Store Sales - KFC | 53,290 | 12.6% |
| Total Store Sales - Pizza Hut | 15,448 | 3.2% |
| Total Store Sales - Starbucks Coffee | 8,483 | 5.2% |
| Total | 77,221 | 9.7% |
| Same Store Sales - KFC | | |
| | 52,667 | 5.6% |
| Same Store Sales - Pizza Hut | 15,242 | -1.4% |
| Same Store Sales - Starbucks Coffee | 8,194 | 3.3% |
| Total | 76,103 | 3.9% |
| <u>YTD 2008/09 vs YTD 2007/08</u> | | |
| Total Store Sales - KFC | 211,531 | 6.2% |
| Total Store Sales - Pizza Hut | 64,595 | -9.6% |
| Total Store Sales - Starbucks Coffee | 32,980 | -0.1% |
| Total | 309,106 | 1.8% |
| Same Store Sales - KFC | | |
| | 208,507 | 4.1% |
| Same Store Sales - Pizza Hut | 64,150 | -6.5% |
| Same Store Sales - Starbucks Coffee | 32,031 | 3.5% |
| Total | 304,688 | 1.6% |
| <u>NUMBER OF STORES OPEN AT QUARTER END</u> | | |
| Qtr End no of Stores - KFC | 84 | -3 |
| Qtr End no of Stores - Pizza Hut | 93 | -4 |
| Qtr End no of Stores - Starbucks Coffee | 42 | -2 |
| Total Stores - NZ Concepts | 219 | -9 |

**Summary of Results for the 4th Quarter (Q4) excl 53rd Week
(for the 12 weeks 02/12/2008 to 23/2/2009)**

| | Q4 2008/9 (\$000's) Excludes 53rd Week | Q4 2007/8 (\$000's) Excludes 53rd week | % change |
|--|---|---|---------------------|
| <u>Q4 2008/9 vs Q4 2007/08</u> | | | |
| Total Store Sales - KFC | 49,361 | 47,344 | 4.3% |
| Total Store Sales - Pizza Hut | 14,249 | 14,966 | -4.8% |
| Total Store Sales - Starbucks Coffee | 7,842 | 8,062 | -2.7% |
| Total | 71,452 | 70,372 | 1.5% |
| Same Store Sales - KFC | | | |
| | 48,733 | 46,197 | 5.5% |
| Same Store Sales - Pizza Hut | 14,043 | 14,208 | -1.2% |
| Same Store Sales - Starbucks Coffee | 7,553 | 7,291 | 3.6% |
| Total | 70,329 | 67,696 | 3.9% |
| <u>YTD 2008/09 vs YTD 2007/08</u> | | | |
| Total Store Sales - KFC | 207,602 | 199,116 | 4.3% |
| Total Store Sales - Pizza Hut | 63,396 | 71,419 | -11.2% |
| Total Store Sales - Starbucks Coffee | 32,339 | 33,012 | -2.0% |
| Total | 303,337 | 303,547 | -0.1% |
| Same Store Sales - KFC | | | |
| | 204,573 | 196,527 | 4.1% |
| Same Store Sales - Pizza Hut | 62,951 | 67,339 | -6.5% |
| Same Store Sales - Starbucks Coffee | 31,389 | 30,309 | 3.6% |
| Total | 298,913 | 294,175 | 1.6% |

* 2008/9 results are prepared on a 53 week basis. Because the company normally uses a 52 week (364 day) year, a "leap" year is occasionally required. Accordingly Total Sales are presented for 53 weeks with a comparison of the equivalent 52 weeks for the current year to the same 52 weeks in the prior year also supplied. For the 4th Quarter, 13 weeks total are presented with a comparison of the equivalent 12 weeks to the same 12 weeks in the prior year also supplied.