

16 December 2009

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RESTAURANT BRANDS THIRD QUARTER SALES UP 4.7%

Restaurant Brands' total sales for the third quarter (12 weeks ended 7th December 2009) were \$72.9 million, an increase of 4.7% on the equivalent period last year. Same store sales increased 7.2% with KFC and Pizza Hut growing during the quarter, although Starbucks Coffee same store sales declined slightly.

The current economic climate is still not adversely impacting overall positive sales growth for the company with the 4.7% increase for the current quarter following 4.8% and 4.3% increases in the previous two quarters.

YTD total sales were \$242.6m, an increase of 4.6% on the prior year, with YTD same store sales up 6.8%.

KFC

KFC, contributing 70% of total company sales, recorded a further quarter of strong sales growth of 7.4% to a total of \$51.4m. On a same store basis, sales increased at a double digit rate of 10.0%.

Two stores were closed for part of the quarter with KFC Blenheim and Waihi undergoing extensive refurbishment. It is planned to have 50% of the stores in the network transformed by the end of the year – with one further store scheduled for upgrading as part of the brand's continuing transformation programme.

Successful marketing and promotional activities during the quarter included the introduction of the very successful *Prize Bucket* and *Hot and Spicy Popcorn Chicken Roller* as well as favourites such as *Mashies* and the return of the *KFC Tower Burger*.

For the year to date, sales of \$169.6m were up 7.2% on prior year, with a YTD improvement of 9.2% on a same store basis.

Store numbers remained stable at 84 during the quarter with one new store scheduled to open in Greenlane, Auckland tomorrow.

Pizza Hut

Total sales for Pizza Hut during the second quarter were \$14.6 million, representing a slight decrease in total store sales of 0.1%. However, same store sales continued to be positive at 1.9%. This quarterly increase in same store sales builds on the return to positive total and same store sales growth of 5.2% from the first and second quarters.

The launch of *Garlic Bites Pizza* and the return of the *More-4-All Pizza* contributed to the sales growth.

For the year to date, total sales of \$49.9m were up 1.6% on prior year, with a same store increase of 4.2%.

Store numbers at 92 remained stable but were two down on the equivalent quarter last year. The programme to progressively close dine in restaurants continues as leases expire or the opportunity to exit a store arises.

Starbucks Coffee

Starbucks Coffee quarterly sales were \$7.0m, down 2.8% on the prior year in total with one less store than the equivalent quarter last year and down on a same store basis by 0.6%, with a slowing of the decline noted in the previous two quarters of -2.3% and -5.0% respectively.

The softening in demand for coffee and food lines has eased during the quarter with the changes in pricing, product mix and promotional activity beginning to bear fruit. Initial Christmas promotional activity has been relatively strong to date.

For the year to date, total sales of \$23.1m were down 5.8% on prior year and 2.9% down on a same store basis.

Store numbers reduced by one to 41 during the quarter as the Palmerston North store closed due to lease related issues.

Full Year Profit

As previously announced, Restaurant Brands, because of the stronger than expected trading results, now anticipates its full year net profit after tax (excluding non-trading items) for the year ended 28 February 2010 to be in the vicinity of \$17.5 million (18 cents per share). This will represent an improvement of \$5.8 million or 50% on the prior year's result.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 3rd Quarter (Q3)

(for the 12 weeks 15/9/2009 to 7/12/2009)

	Q3 2009/10 (\$000's)	Q3 2008/09 (\$000's)	% change
<u>Q3 2009/10 vs Q3 2008/09</u>			
Total Store Sales - KFC	51,386	47,866	7.4%
Total Store Sales - Pizza Hut	14,556	14,577	-0.1%
Total Store Sales - Starbucks Coffee	6,978	7,180	-2.8%
Total Store Sales	72,920	69,623	4.7%
Same Store Sales - KFC	51,230	46,594	10.0%
Same Store Sales - Pizza Hut	14,551	14,284	1.9%
Same Store Sales - Starbucks Coffee	6,978	7,017	-0.6%
Total Same Store Sales	72,759	67,895	7.2%
<u>YTD 2009/10 vs YTD 2008/09</u>			
Total Store Sales - KFC	169,589	158,241	7.2%
Total Store Sales - Pizza Hut	49,943	49,147	1.6%
Total Store Sales - Starbucks Coffee	23,064	24,497	-5.8%
Total Store Sales	242,596	231,885	4.6%
Same Store Sales - KFC	167,899	153,824	9.2%
Same Store Sales - Pizza Hut	49,914	47,894	4.2%
Same Store Sales - Starbucks Coffee	23,011	23,689	-2.9%
Total Same Store Sales	240,824	225,407	6.8%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	84	84	-
Qtr End no of Stores - Pizza Hut	92	94	-2
Qtr End no of Stores - Starbucks Coffee	41	42	-1
Total Stores	217	220	-3