

**14th December 2010**  
**NZX**

### **Restaurant Brands' Third Quarter Sales up 1.8%**

Restaurant Brands' total sales across the company's three brands for the third quarter (12 weeks ended 6<sup>th</sup> December 2010) were \$74.2 million, an increase of 1.8% on the equivalent period last year. Same store sales also increased 1.8%.

The company saw continued same store sales growth in its KFC and Starbucks Coffee operations, but Pizza Hut same store sales still remained down on prior year.

Year to date sales of \$250.5 million were up 3.3% on prior year and 4.0% on a same store basis.

#### **KFC**

KFC continued to deliver higher sales with total revenues up \$3.2 million for the quarter to \$54.6 million.

The increase in total sales on the prior year was 6.2%. The increase on a same store basis was 3.9%, rolling over a 10.0% same store sales increase in the third quarter last year.

The ongoing store transformation programme, underpinned by strong store operations, and some successful product launches contributed to the continuing sales momentum.

Total sales were impacted for the quarter with four large stores – Tauranga, Nelson, New Plymouth and Manurewa – being closed for transformation. New Plymouth reopened in September, Nelson reopened in early October and Tauranga opened in late October. KFC Manurewa reopened a few days after the end of the quarter.

One new KFC store at The Base Shopping Centre in Te Rapa, Hamilton opened in November and is currently trading above expectations.

KFC have opened four new stores in the past 12 months with a further new store opening scheduled for 16<sup>th</sup> December at Papamoa in the Bay of Plenty.

Successful promotions during the quarter included the *BLAT (Bacon Lettuce Avocado and Tomato) Burger* and the *Big Chicken Burger*, as well as the return of favourites such as *Hot and Spicy Chicken* and the *Legendary Tower Burger*.

Year to date sales of \$181.6m were \$12.1m more than the previous year, an increase of 7.1% in total sales and 6.7% on a same store basis.

Store numbers increased by one over the quarter with the opening of KFC The Base bringing total stores to 88, up four on the prior year.

## **Pizza Hut**

Total sales for the quarter for Pizza Hut were down 11.6% on prior year to \$12.9m. However, on a same store sales basis, the decline was 5.8% for the quarter, which was rolling over a 1.9% increase in the prior year.

Promotional activity included the expansion of the *Mia* family of value pizzas to include the new 14 inch *Big Mia* and the *Despicable Me* movie promotion.

Year to date total Pizza Hut sales were \$46.6 million, down 6.7% in total on prior year with seven less stores. Same store sales YTD were down 3.7%.

Two Pizza Hut stores were sold during the quarter to independent franchisees – marking the first stores in the Pizza Hut store sell down programme. The first store at Nelson was sold in October, with the second, located in Pukekohe, sold in November.

Three more sale and purchase agreements have been concluded, with settlement expected early in the new calendar year.

In addition, Pizza Hut Miramar was closed at lease end. As a consequence, store numbers were reduced by three to 85 at the end of the quarter, down seven on last year.

## **Starbucks Coffee**

Starbucks Coffee continued the same store sales growth from the last quarter. Same store sales were up 1.0% for the quarter and 0.6% year to date. Total quarterly sales were \$6.7 million, down 3.3% on the prior year with three less stores.

The growth in same store sales this quarter results from improving operational focus and a rejuvenated Christmas merchandising range. This year's festive season beverages, *Toffee Nut Latte*, *Dark Cherry Mocha* and *Gingerbread Latte*, have performed well.

Year to date sales were \$22.2 million, a decrease of 3.6% on prior year but same store sales increased 0.6%.

The opportunity to close an underperforming store located in Ponsonby, Auckland, was taken during the quarter and the closure will be profit positive. With the one store closing, store numbers were 38 at the quarter end, three less than the prior year.

For further information please contact:

Russel Creedy  
CEO  
Phone: 525 8722

Grant Ellis  
CFO/Company Secretary  
Phone: 525 8722

**RESTAURANT BRANDS NEW ZEALAND LIMITED**  
**Quarterly Sales Report**

**Summary of Results for the 3rd Quarter (Q3)**

(for the 12 weeks 14/9/2010 to 6/12/2010)

	Q3 2010/11 (\$000's)	Q3 2009/10 (\$000's)	% change
<b><u>Q3 2010/11 vs Q2 2009/10</u></b>			
Total Store Sales - KFC	54,597	51,386	6.2%
Total Store Sales - Pizza Hut	12,863	14,556	-11.6%
Total Store Sales - Starbucks Coffee	6,748	6,978	-3.3%
<b>Total Store Sales</b>	<b>74,208</b>	<b>72,920</b>	<b>1.8%</b>
Same Store Sales - KFC	52,117	50,155	3.9%
Same Store Sales - Pizza Hut	12,849	13,636	-5.8%
Same Store Sales - Starbucks Coffee	6,734	6,669	1.0%
<b>Total Same Store Sales</b>	<b>71,700</b>	<b>70,460</b>	<b>1.8%</b>
<b><u>YTD 2010/11 vs YTD 2009/10</u></b>			
Total Store Sales - KFC	181,648	169,589	7.1%
Total Store Sales - Pizza Hut	46,619	49,943	-6.7%
Total Store Sales - Starbucks Coffee	22,225	23,064	-3.6%
<b>Total Store Sales</b>	<b>250,492</b>	<b>242,596</b>	<b>3.3%</b>
Same Store Sales - KFC	175,026	164,031	6.7%
Same Store Sales - Pizza Hut	46,583	48,384	-3.7%
Same Store Sales - Starbucks Coffee	22,158	22,017	0.6%
<b>Total Same Store Sales</b>	<b>243,767</b>	<b>234,432</b>	<b>4.0%</b>
<b><u>NUMBER OF STORES OPEN AT QUARTER END</u></b>			
Qtr End no of Stores - KFC	88	84	4
Qtr End no of Stores - Pizza Hut	85	92	-7
Qtr End no of Stores - Starbucks Coffee	38	41	-3
<b>Total Stores</b>	<b>211</b>	<b>217</b>	<b>-6</b>