

30 May 2012
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Restaurant Brands' First Quarter Sales

Restaurant Brands' total sales across the company's three brands during the first quarter (12 weeks ended 21st May 2012) were \$70.6 million, a decrease of 2.7% or \$2.0 million on the equivalent period last year. Most of the reduction can be attributed to KFC rolling over the success of the KFC *Double Down* promotion in the prior year. Same store sales for the company were down 3.7%.

KFC total sales declined 3.1% in the quarter. Starbucks sales decreased 3.5% but Pizza Hut sales were the same as last year (despite having 9 less stores).

KFC same store sales saw a 6.4% decrease. Starbucks had a small same store decline of 0.9%, but Pizza Hut saw a significant increase of 10.4%.

KFC

KFC sales declined 3.1% or \$1.7 million over the prior year to \$54.1m (compared with a 2.8% increase in the prior year) with same store sales declining by 6.4%. Sales were affected by the rolling over of the prior year's KFC *Double Down* burger promotion which was an unprecedented sales success. KFC plans to offer the *Double Down* as a limited time offer later this year.

Successful product releases over the first quarter included the launch of the popular *\$5 Lunch Box Deal* as a value offer, the return of the *Tower Burger* and the recent launch of the *Godfather Tower Burger*.

In Christchurch, the CBD store was permanently closed as a result of the site requiring demolition following the earthquake last year. As a result of the closure, total store numbers fell by one in the quarter, down one on last year.

Pizza Hut

Total sales for Pizza Hut were flat compared to the prior year at \$10.6 million despite a reduction of nine stores on the prior year because of sales of stores to independent franchisees and closures.

Same store sales for the quarter increased by 10.4% primarily driven by the launch of the *\$4.90 Large Classics Pizza*. This promotion has provided a strong value-based entry and headline price point for Pizza Hut in a very competitive and crowded market.

Store numbers were reduced by two with the sale of stores in Greerton and Taupo over the quarter with the Taradale store closed and the Papamoa store sold after quarter end. Store numbers reduced to 69, down nine on last year. A total of 15 stores are now operated by independent franchisees.

Total Pizza Hut system sales (including those of independent franchisees) were \$12.6m for the year, up 11.2% in total and up 9.6% on a same store basis.

Starbucks Coffee

Starbucks Coffee total quarterly sales were \$5.9 million, down \$0.2 million or 3.5% on the prior year. The brand had two less stores than prior year as a result of earthquake related closures in Christchurch.

Same store sales were down 0.9% rolling a 4.3% increase in the prior year.

During the quarter, the Colombo Street, Christchurch store was permanently closed with lease termination relating to earthquake remediation works. This reduced the store count by one to 34 stores, down two on last year.

In Christchurch, two Starbucks Coffee stores in Cashel Mall and Cathedral Square remain closed as a result of the earthquake, thus leaving 32 stores actually trading.

Carl's Jr

Restaurant Brands plans to open its first Carl's Jr restaurant in the third quarter of this year with several more store sites currently under evaluation.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 1st Quarter (Q1)

(for the 12 weeks 28/2/2012 to 21/5/2012)

	Q1 2012/13 (\$000's)	Q1 2011/12 (\$000's)	% change
<u>Q1 2012/13 vs Q1 2011/12</u>			
Total Store Sales - KFC	54,066	55,801	-3.1%
Total Store Sales - Pizza Hut	10,585	10,589	0.0%
Total Store Sales - Starbucks Coffee	5,917	6,131	-3.5%
Total Store Sales	70,568	72,521	-2.7%
Same Store Sales - KFC	52,173	55,722	-6.4%
Same Store Sales - Pizza Hut	10,138	9,180	10.4%
Same Store Sales - Starbucks Coffee	5,806	5,860	-0.9%
Total Same Store Sales	68,117	70,762	-3.7%
<u>YTD 2012/13 vs YTD 2011/12</u>			
Total Store Sales - KFC	54,066	55,801	-3.1%
Total Store Sales - Pizza Hut	10,585	10,589	0.0%
Total Store Sales - Starbucks Coffee	5,917	6,131	-3.5%
Total Store Sales	70,568	72,521	-2.7%
Same Store Sales - KFC	52,173	55,722	-6.4%
Same Store Sales - Pizza Hut	10,138	9,180	10.4%
Same Store Sales - Starbucks Coffee	5,806	5,860	-0.9%
Total Same Store Sales	68,117	70,762	-3.7%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	88	89	-1
Qtr End no of Stores - Pizza Hut	69	78	-9
Qtr End no of Stores - Starbucks Coffee	34	36	-2
Total Stores	191	203	-12