

**12 December 2012**  
**NZX**

### **Restaurant Brands' Third Quarter Sales up 0.5%**

Restaurant Brands' total sales across the company's four brands – including Carl's Jr for the first time - for the third quarter (12 weeks ended 3<sup>rd</sup> December 2012) were \$72.2 million, an increase of 0.5% or \$0.3 million on the equivalent period last year. Same store sales for the company increased by 3.2%.

KFC total sales increased 0.5% in the quarter. Starbucks sales decreased 6.9% but Pizza Hut sales were 3.5% higher than last year despite having 11 less stores at quarter end compared to the equivalent period last year.

Restaurant Brands opened the first of its Carl's Jr stores in Mangere late in the quarter and in five days of trading produced sales of \$90,000. A second store will be opening in Palmerston North shortly after the quarter end.

KFC same store sales saw a 1.2% increase. Starbucks had a same store decline of 2.8% but Pizza Hut saw a significant increase of 18.3%.

Year to date total sales are \$238.9 million, up \$0.6 million (0.2%) on the prior year and for the year to date same store sales were up 1.3% or \$2.9 million on the prior year.

#### **KFC**

KFC sales increased 0.5% or \$0.3 million over the prior year to \$55.4 million despite rolling over the busy Rugby World Cup period in the prior year.

Same store sales improved by 1.2%. Successful product releases over the third quarter included the launch of *Sweet Sesame Chicken*, *Surf Variety Bucket* (as part of a partnership arrangement with Surf Lifesaving New Zealand), as well as the return of old favourites like *Hot and Spicy Chicken* and the *BLAT Burger*.

During the quarter, stores in Glen Innes, Tokoroa and Feilding were closed temporarily for transformation with Feilding reopening during September and Glen Innes and Tokoroa reopening during November.

The new relocated KFC Lower Hutt store opened in the early part of the quarter in September with strong same store sales growth and a new store in Silverdale opened in October.

Store numbers were increased to 88, one store less than prior year. This was the same number of trading stores as the prior year as one store in Christchurch did not trade in the prior year and was subsequently permanently closed as a result of the earthquake.

Immediately after quarter end, Restaurant Brands acquired the operations of the previously independently franchised store in Cambridge.

Year to date sales for KFC were \$182.8 million, \$0.2 million less than the previous year to date. This was a decrease of 0.1% on a total basis and down 1.3% on a same store basis.

### **Pizza Hut**

Total sales for Pizza Hut at \$11.1 million were up \$0.4 million compared to the prior year despite a reduction of 11 stores (15%) by quarter end on the prior year from the sale of stores to independent franchisees and closures.

Same store sales increased significantly by 18.3%. This quarter's promotional activity was the continuance of the *\$4.90 Large Classics Pizza*. This provides a strong value-based entry and headline price point for Pizza Hut in a very competitive and crowded market. Pizza Hut also extended the complementing offer of *\$9.90 Large Favourites Pizza* over this quarter.

The same store sales increase is particularly pleasing as it is rolling the busy Rugby World Cup trading period in the prior year.

Store numbers were reduced by three with the sale of three stores in Richmond, Lower Hutt and Upper Hutt during the quarter. This brought store numbers to 60, down 11 on last year. A total of 23 stores are now operated by independent franchisees with the company operating 60 stores.

Year to date sales for Pizza Hut were \$37.0 million, \$1.7 million more than the previous year to date. This was an increase of 4.8% on a total basis and an increase of 19.2% on a same store basis.

Total Pizza Hut system sales (including those of independent franchisees) were \$46.8 million for the year to date, up 18.6% in total and up 18.7% on a same store basis.

### **Starbucks Coffee**

Starbucks Coffee total quarterly sales were \$5.7 million, down 6.9% on the prior year. Same store sales were down 2.8% rolling a 6.8% increase in the prior year.

Changes to the customer offer implemented during the previous quarter, including revisions to beverage formulations, new food offerings and more competitive pricing options has seen an improvement in the sales trend particularly after adjusting for the same store sales increase in the prior year from the Rugby World Cup period.

During the quarter, three stores located in Johnsonville, The Majestic Centre and Victoria Street West were closed due to lease end, reducing the store count by three to 30 stores, down five on last year.

In Christchurch, the Cashel Mall store also remains closed as a result of the earthquake.

Year to date sales for Starbucks were \$19.1 million, \$1.0 million less than the previous year to date. This was a decrease of 5.1% on a total basis and a decrease of 2.7% on a same store basis.

**Carl's Jr**

Restaurant Brands opened its first Carl's Jr restaurant in Mangere just prior to the end of the third quarter. The store made \$90,000 of sales in just five days of trading before the quarter closed and trading since the quarter closed has continued to be ahead of expectations.

A second Carl's Jr store will open in Palmerston North today and a third store located in the Metro Centre, Queen St in the Auckland CBD in the new year.

Further store site evaluations and the development pipeline are well advanced for several new stores to be opened in the next year.

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## RESTAURANT BRANDS NEW ZEALAND LIMITED

### Quarterly Sales Report

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

(for the 12 weeks 11/9/2012 to 3/12/2012)

	Q3 2012/13 (\$000's)	Q3 2011/12 (\$000's)	% change
<b><u>Q3 2012/13 vs Q3 2011/12</u></b>			
Total Store Sales - KFC	55,384	55,101	0.5%
Total Store Sales - Pizza Hut	11,086	10,708	3.5%
Total Store Sales - Starbucks Coffee	5,685	6,106	-6.9%
Total Store Sales - Carl's Jr	90	-	n/a
<b>Total Store Sales</b>	<b>72,245</b>	<b>71,915</b>	<b>0.5%</b>
Same Store Sales - KFC	54,819	54,173	1.2%
Same Store Sales - Pizza Hut	11,011	9,307	18.3%
Same Store Sales - Starbucks Coffee	5,682	5,847	-2.8%
Same Store Sales - Carl's Jr	-	-	n/a
<b>Total Same Store Sales</b>	<b>71,512</b>	<b>69,327</b>	<b>3.2%</b>
<b><u>YTD 2012/13 vs YTD 2011/12</u></b>			
Total Store Sales - KFC	182,826	183,013	-0.1%
Total Store Sales - Pizza Hut	36,970	35,273	4.8%
Total Store Sales - Starbucks Coffee	19,054	20,086	-5.1%
Total Store Sales - Carl's Jr	90	-	n/a
<b>Total Store Sales</b>	<b>238,940</b>	<b>238,372</b>	<b>0.2%</b>
Same Store Sales - KFC	179,156	181,544	-1.3%
Same Store Sales - Pizza Hut	36,293	30,457	19.2%
Same Store Sales - Starbucks Coffee	18,936	19,468	-2.7%
Same Store Sales - Carl's Jr	-	-	n/a
<b>Total Same Store Sales</b>	<b>234,385</b>	<b>231,469</b>	<b>1.3%</b>
<b><u>NUMBER OF STORES OPEN AT QUARTER END</u></b>			
Qtr End no of Stores - KFC	88	89	-1
Qtr End no of Stores - Pizza Hut	60	71	-11
Qtr End no of Stores - Starbucks Coffee	30	35	-5
Qtr End no of Stores - Carl's Jr	1	-	1
<b>Total Stores</b>	<b>179</b>	<b>195</b>	<b>-16</b>