

7 March 2013
NZX

Restaurant Brands' Sales Report

Restaurant Brands NZ Limited's full year sales for year ending 25 February 2013 were \$311.9 million, an increase of 1.2% on the previous year.

KFC saw an increase of 0.3% in total sales for the full year, rolling over a 0.2% increase in the prior year. Pizza Hut had a full year sales increase of 5.3% despite selling thirteen stores to independent franchisees and closing one store. Starbucks Coffee recorded a decline in full year sales of 5.1%, mainly due to the closure of six stores. Two Carl's Jr. stores were opened in the last quarter and contributed \$1.9million to full year sales.

On a same store basis the company recorded a 1.9% increase for the year with KFC's full year sales down 1.0%, Pizza Hut's up 21.2% and Starbucks Coffee down 1.7%.

For the 4th quarter total sales across the company's four brands were up 4.5%. Same store sales increased 3.9% with all brands growing, particularly Pizza Hut which was up 28.6%.

KFC

For the 4th quarter, KFC sales increased 1.8% or \$0.9 million over the prior year to \$54.2million (compared with a 1.6% decrease in the prior year which was impacted by the Canterbury earthquakes).

Same store sales in the 4th quarter were up by 0.2%, compared with a 1.9% decrease in the prior year.

Successful promotions in the 4th quarter included the return of the *Summer Variety Bucket* and *Burger Box* promotions, supplemented by the new \$9.90 *Boxed Meals* and the *So Good Savers* promotions.

Full year sales for KFC were \$237.0 million, \$0.7 million up on the previous year, an increase of 0.3% in total sales, although down 1.0% on a same store basis.

Total store numbers at year were 89, up one on last year with the opening of a new store at Silverdale and another at Lower Hutt (relocating from two closed stores in the Hutt Valley) together with the purchase of one store in Cambridge from an independent franchisee.

Pizza Hut

Sales in the 4th quarter for Pizza Hut were up \$0.7 million or 6.9% on prior year to \$10.9 million. This was despite a 19.7% reduction in store numbers compared with the prior year from 71 to 57, with the sale of thirteen stores to independent franchisees and closure of one store over the last 12 months.

Same store sales in the 4th quarter increased by 28.6%. This quarter's main promotional activity was the sustained success of the \$4.90 *Large Classics Pizza* offering a strong value-based entry and headline price point for Pizza Hut in a very competitive and crowded market. Pizza Hut also introduced the *Free Stuffed Crust* on *Meatlovers* pizzas.

Of the 83 Pizza Hut stores across New Zealand, 26 stores are now operated by independent franchisees and 57 by the company.

Full year sales for Pizza Hut were \$47.9 million, \$2.4 million more than the previous year. This was an increase of 5.3% on a total basis and an increase of 21.2% on a same store basis.

Total full year sales for the Pizza Hut system (including those of independent franchises) were \$62.2million for the year to date, up 20.8% in total and up 21.0% on same store basis.

Starbucks Coffee

Starbucks Coffee 4th quarter sales were \$6.1 million, down \$0.3 million or 4.8% on the prior year. On a same store basis, Starbucks Coffee sales in the 4th quarter were up 1.7%.

Successful promotions in the quarter included the Free Tall Beverage offer.

Full year Starbucks Coffee sales were \$25.1 million, down 5.1% in total on prior year with six less stores. Same store sales for the full year were down 1.7%.

There are now 29 stores operating which is six fewer than a year ago. Three stores were closed in the year and a further three stores remain closed following the Canterbury earthquakes in 2011. Of the three stores impacted by the earthquakes, two have had their leases terminated, and one is unlikely to re-open.

Carl's Jr.

Carl's Jr. contributed sales of \$1.8 million (\$1.9 million full year) in the quarter with a second store opening in Palmerston North, joining the first new Mangere store. One further store was opened in Auckland Central, just after balance date.

Year End Results

The company expects to announce its year end results on Thursday 4 April.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4)

(for the 12 weeks 4/12/2012 to 25/2/2013)

	2012/13 (\$000's)	2011/12 (\$000's)	% change
<u>Q4 2012/13 vs Q4 2011/12</u>			
Total Store Sales - KFC	54,206	53,271	1.8%
Total Store Sales - Pizza Hut	10,906	10,203	6.9%
Total Store Sales - Starbucks Coffee	6,060	6,366	-4.8%
Total Store Sales - Carl's Jr.	1,788	-	n/a
Total Store Sales	72,960	69,841	4.5%
Same Store Sales - KFC	52,184	52,073	0.2%
Same Store Sales - Pizza Hut	10,763	8,371	28.6%
Same Store Sales - Starbucks Coffee	5,992	5,891	1.7%
Same Store Sales - Carl's Jr.	-	-	n/a
Total Same Store Sales	68,939	66,335	3.9%
<u>YTD 2012/13 vs YTD 2011/12</u>			
-			
Total Store Sales - KFC	237,032	236,284	0.3%
Total Store Sales - Pizza Hut	47,876	45,477	5.3%
Total Store Sales - Starbucks Coffee	25,115	26,452	-5.1%
Total Store Sales - Carl's Jr.	1,878	-	n/a
Total Store Sales	311,900	308,212	1.2%
Same Store Sales - KFC	231,340	233,618	-1.0%
Same Store Sales - Pizza Hut	47,056	38,827	21.2%
Same Store Sales - Starbucks Coffee	24,927	25,359	-1.7%
Same Store Sales - Carl's Jr.	-	-	n/a
Total Same Store Sales	303,324	297,804	1.9%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
-			
Qtr End no of Stores - KFC	89	88	1
Qtr End no of Stores - Pizza Hut	57	71	-14
Qtr End no of Stores - Starbucks Coffee	29	35	-6
Qtr End no of Stores - Carl's Jr.	2	-	2
Total Stores	177	194	-17