

**18 September 2013**  
**NZX**

### **Restaurant Brands' Second Quarter Sales up 6.2%**

Restaurant Brands' total sales across the company's four brands during the second quarter (16 weeks ended 9th September 2013) were \$102.1 million, an increase of 6.2% or \$6.0 million on the equivalent period last year.

The new Carl's Jr. brand of burger restaurants, launched in November 2012 was the largest contributor to the sales increase at \$4.3 million.

KFC total sales increased 2.4% in the quarter. Starbucks Coffee sales decreased 1.2% and Pizza Hut sales were in line with last year.

Same store sales for the company were up 2.7% with KFC showing a small increase of 0.4%, Starbucks Coffee up 5.8% and Pizza Hut well up with 13.2% growth.

#### **KFC**

Total sales for KFC increased by 2.4% or \$1.7 million to \$75.1 million over the quarter (compared with a 1.8% increase in the prior year on the back of the very successful *Double Down* promotion).

Same store sales were steady at 0.4%. A range of promotions were run in the quarter including the popular new *Kentucky burger* and *Mexican burger* range as well as a repeat of the popular *Hot & Spicy* promotion.

Year to date sales for KFC were \$129.3 million, this was an increase of 1.4% on a total basis, but marginally down at 0.1% on a same store basis.

#### **Pizza Hut**

Total sales for Pizza Hut were in line with last year at \$15.3 million (compared with a 9.5% increase in the prior year). This result is with 11 (17.5%) fewer stores as the company has continued its strategy of selling regional and lower volume stores to independent franchisees.

Same store sales for the quarter increased by 13.2% on top of a 26.5% same store growth in the same quarter of the prior year. This growth has been sustained by the \$4.90 value offer and successful promotions in the quarter including *PeriPeri Hot & Spicy* pizzas followed by the *Double Beef & Bacon* pizza with a free *Stuffed Crust*. Both these promotions performed well providing new innovative flavours to the market.

Company stores reduced in number from 63 a year ago to 52 at the end of the quarter with 32 Pizza Hut stores now operated by independent franchisees. There were five Company stores sold over the quarter being Kapiti, Karori, Hawera, Levin and Napier.

Total Pizza Hut system sales (including those of independent franchisees) totalling 84 stores were \$22.6 million for the quarter, up 15.7% in total and up 15.5% on a same store basis.

Year to date sales for Pizza Hut were \$26.6 million, this was an increase of 2.7% on a total basis and up 19.3% on a same store basis.

### **Starbucks Coffee**

Starbucks Coffee total quarterly sales were \$7.4 million, down \$0.1 million or 1.2%. The brand had five less stores than prior year (five low volume stores closed at the end of their lease).

Same store sales were up 5.8% (compared with a 4.0% decrease in the prior year). This is a continuation of the growth in sales that has been driven by better value and improved customer experience initiatives implemented in the middle of 2012/13.

Successful promotions in the quarter were the *Starbucks Dolce Latte* and the promotion of the *Signature Hot Chocolate* range which helped drive sales.

Year to date sales for Starbucks Coffee were \$13.0 million, this was a decrease of 2.9% on a total basis and an increase of 4.0% on a same store basis.

### **Carl's Jr.**

A fifth Carl's Jr. store opened in Rotorua on 13 August 2013, adding to the existing stores at Mangere, Palmerston North, Auckland Metro and Frankton.

The company plans to open a further three stores over the balance of the financial year, including a site at the Auckland airport, bringing the total number of stores to eight by year end.

Sales were \$4.3 million in this quarter growing from \$2.3 million in the previous quarter.

There were two strong promotions over the quarter. They were the *Super Bacon Cheeseburger* and the *Jim Beam Bourbon Burger*. The *Mint Oreo Milk Shake* was also launched as an exciting new promotional milk shake flavour.

### **Half Year Results**

The financial results for the first half year will be released on 17 October.

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## RESTAURANT BRANDS NEW ZEALAND LIMITED

### Quarterly Sales Report

### Summary of Results for the 2nd Quarter (Q2)

(for the 16 weeks 21/5/2013 to 9/9/2013)

	2013/14 (\$000's)	2012/13 (\$000's)	% change
<b><u>Q2 2013/14 vs Q2 2012/13</u></b>			
Total Store Sales - KFC	75,123	73,377	2.4%
Total Store Sales - Pizza Hut	15,278	15,299	-0.1%
Total Store Sales - Starbucks Coffee	7,361	7,452	-1.2%
Total Store Sales - Carl's Jr.	4,333	-	n/a
<b>Total Store Sales</b>	<b>102,095</b>	<b>96,128</b>	<b>6.2%</b>
Same Store Sales - KFC	72,800	72,491	0.4%
Same Store Sales - Pizza Hut	15,265	13,483	13.2%
Same Store Sales - Starbucks Coffee	7,353	6,947	5.8%
Same Store Sales - Carl's Jr.	-	-	n/a
<b>Total Same Store Sales</b>	<b>95,418</b>	<b>92,921</b>	<b>2.7%</b>
<b><u>YTD 2013/14 vs YTD 2012/13</u></b>			
Total Store Sales - KFC	129,264	127,443	1.4%
Total Store Sales - Pizza Hut	26,577	25,884	2.7%
Total Store Sales - Starbucks Coffee	12,975	13,369	-2.9%
Total Store Sales - Carl's Jr.	6,628	-	n/a
<b>Total Store Sales</b>	<b>175,444</b>	<b>166,696</b>	<b>5.2%</b>
Same Store Sales - KFC	125,569	125,740	-0.1%
Same Store Sales - Pizza Hut	26,559	22,263	19.3%
Same Store Sales - Starbucks Coffee	12,941	12,439	4.0%
Same Store Sales - Carl's Jr.	-	-	n/a
<b>Total Same Store Sales</b>	<b>165,069</b>	<b>160,442</b>	<b>2.9%</b>
<b><u>NUMBER OF STORES OPEN AT QUARTER END</u></b>			
Qtr End no of Stores - KFC	89	86	3
Qtr End no of Stores - Pizza Hut	52	63	-11
Qtr End no of Stores - Starbucks Coffee	28	33	-5
Qtr End no of Stores - Carl's Jr.	5	0	5
<b>Total Stores</b>	<b>174</b>	<b>182</b>	<b>-8</b>