

5 March 2014
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Restaurant Brands' Fourth Quarter Sales up 6.4%

Restaurant Brands' total sales across the company's four brands during the fourth quarter (12 weeks ended 24 February 2014) were \$77.6 million, an increase of 6.4% or \$4.7 million on the equivalent period last year.

The Carl's Jr. brand of burger restaurants, launched in November 2012 was a key contributor to the sales increase at \$1.9 million with KFC contributing \$2.7 million.

Same store sales for the company were up 3.5% with strong growth in KFC which grew 4.1%. Starbucks Coffee was up 7.6% and Pizza Hut up 8.9%. Carl's Jr was down 59.1% as it rolled over very high new store opening sales in the two stores opened last year.

KFC

Total sales for KFC increased by 5.0% or \$2.7 million to \$56.9 million over the quarter (compared with a 1.8% increase in the prior year).

Same store sales increased by 4.1%. The strong sales increase was driven by the launch of a new menu, in particular around family meals. The Christmas promotional activity and the release of the *Real Kahuna Burger* both proved popular over the period.

Full year sales for KFC were \$241.5 million, an increase of 1.9% on a total basis and up 0.2% on a same store basis.

Pizza Hut

Total sales for Pizza Hut were slightly down on last year at \$10.8 million (compared with a 6.9% increase in the prior year). This result is with six (11%) fewer stores as the company continues its strategy of selling regional and lower volume stores to independent franchisees.

Same store sales for the quarter increased by 8.9% on top of a 28.6% growth in the same quarter of the prior year. This growth has been sustained by the continuing value offer and successful promotion in the quarter including the *Moroccan Pizza* range.

There were 51 company stores at the end of the quarter versus 57 in the prior year with 33 Pizza Hut stores now operated by independent franchisees. The Timaru store was the only company store sold over the quarter with six stores sold over the full year.

Full year sales for Pizza Hut were \$48.4 million, an increase of 1.1% on a total sales basis and up 15.3% on a same store basis.

Starbucks Coffee

Starbucks Coffee total quarterly sales were \$6.2 million, up \$0.2 million or 2.7%, despite having two fewer stores than the prior year.

Same store sales were up 7.6% (compared with a 1.7% increase 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.

Starbucks Christmas range continued to be well received by Starbucks Coffee customers and helped maintain sales momentum.

Full year sales for Starbucks Coffee were \$25.0 million. This was a decrease of 0.3% in total, but an increase of 5.7% on a same store basis.

There were no store changes during the period with total stores at the end of the quarter numbering 27.

Carl's Jr.

The Carl's Jr. brand saw no new stores opening in this quarter with current company store numbers at eight, six up on the fourth quarter of the prior year.

Whilst same store sales were down 59.1% as the brand rolled over very strong openings from last year, total sales for the fourth quarter were up 107.8% to \$3.7 million driven by new store openings and a successful *Hawaiian Teriyaki Burger* promotion.

Full year sales were \$14.3 million, up \$12.4 million on prior year.

Annual Profit Announcement

The company will announce its full year results on 10 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 03/12/2013 to 24/02/2014)

	2013/14 (\$000's)	2012/13 (\$000's)	% change
<u>Q4 2013/14 vs Q4 2012/13</u>			
Total Store Sales - KFC	56,938	54,206	5.0%
Total Store Sales - Pizza Hut	10,771	10,906	-1.2%
Total Store Sales - Starbucks Coffee	6,225	6,060	2.7%
Total Store Sales - Carl's Jr.	3,715	1,788	107.8%
Total Store Sales	77,649	72,960	6.4%
Same Store Sales - KFC	55,428	53,249	4.1%
Same Store Sales - Pizza Hut	10,612	9,748	8.9%
Same Store Sales - Starbucks Coffee	6,152	5,720	7.5%
Same Store Sales - Carl's Jr.	716	1,752	-59.1%
Total Same Store Sales	72,908	70,469	3.5%
<u>YTD 2013/14 vs YTD 2012/13</u>			
Total Store Sales - KFC	241,521	237,032	1.9%
Total Store Sales - Pizza Hut	48,393	47,876	1.1%
Total Store Sales - Starbucks Coffee	25,041	25,115	-0.3%
Total Store Sales - Carl's Jr.	14,314	1,878	662.2%
Total Store Sales	329,269	311,901	5.6%
Same Store Sales - KFC	234,688	234,155	0.2%
Same Store Sales - Pizza Hut	48,214	41,806	15.3%
Same Store Sales - Starbucks Coffee	24,904	23,554	5.7%
Same Store Sales - Carl's Jr.	736	1,842	-60.0%
Total Same Store Sales	308,542	301,357	2.4%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	90	89	1
Qtr End no of Stores - Pizza Hut	51	57	-6
Qtr End no of Stores - Starbucks Coffee	27	29	-2
Qtr End no of Stores - Carl's Jr.	8	2	6
Total Stores	176	177	-1