

**12 December 2014**  
**NZX**

### **Restaurant Brands' Third Quarter Sales up 6.4%**

Restaurant Brands' total sales during the third quarter of the financial year (12 weeks ended 1 December 2014) were \$81.1 million, an increase of 6.4% or \$4.9 million on the equivalent period last year.

Of the total increase, KFC was the key contributor at \$5.4 million, driven by strong same store sales.

Same store sales for the company were up 7.5%, led by KFC which grew 10.8%. Starbucks Coffee was up 4.9% and Pizza Hut up 5.8%. Carl's Jr. was down 28.9% as it rolled over very high new store opening sales in the eight stores open in the prior year.

#### **KFC**

Total sales for KFC increased by 9.8% or \$5.4 million to \$60.7 million over the quarter (compared with a decrease of 0.1% the year before).

Same store sales were up by 10.8%. The strong sales continue to be driven by the new menu, in particular around family meals, increased marketing spend and revised store opening hours. Successful promotions in the quarter were the *Colonel's Stack* burger (a burger created and voted for by KFC customers) and the *Surf Life Saving Bucket* campaign.

Year to date sales for KFC were \$197.8 million, an increase of 7.2% in total and up 7.7% on a same store basis.

Store numbers increased by one during the quarter to 91 with the purchase of the KFC in Oamaru, previously owned by an independent franchisee.

#### **Pizza Hut**

Total sales for Pizza Hut at \$10.9 million were 1.6% down on last year (compared with a 0.4% decrease in the prior year). This result is with five fewer stores as the company continued its strategy of selling regional and lower volume stores to independent franchisees.

Same store sales for the quarter increased by 5.8% on top of a 12.7% growth in the same quarter of the prior year. During the quarter the brand launched a revised menu, offering the consumer greater choice by adding a third range of pizzas. The most successful promotion of the quarter was the *Mexican Flavour Fiesta* range.

Year to date sales for Pizza Hut were \$37.4 million, down 0.7% on a total basis but up 7.5% on a same store basis.

There were 47 company stores at the end of the quarter versus 52 in the prior year. There are also now 40 Pizza Hut stores operated by independent franchisees. The Belmont and Browns Bay stores were sold to independent franchisees during the quarter.

## **Starbucks Coffee**

Starbucks Coffee total quarterly sales were \$5.9 million, up \$0.1 million or 1.0%, despite having one store less than the prior year.

Same store sales were up 4.9% (rolling over a 7.7% 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 over the past two years.

Year to date sales for Starbucks Coffee were \$19.1 million, an increase of 1.7% on a total basis and up 5.0% on a same store basis.

Store numbers remained steady during the quarter at 26.

## **Carl's Jr.**

Total Carl's Jr. sales for the quarter were down 9.6% to \$3.6 million with same store sales down 28.9%. No new stores opened in the quarter, whilst the same period last year benefitted from strong initial opening sales at Auckland International Airport, Hastings and Otahuhu.

The brand has consolidated at post initial opening sales levels and is in a phase of building awareness and loyalty across the total network, which comprised 16 stores at the end of the quarter.

The company opened a new Carl's Jr. store in Manukau in the first week of the fourth quarter and plans to open a store in Albany before the end of this fiscal year. Already advised to the market is the acquisition of seven independently owned Auckland stores which was settled on the 9<sup>th</sup> of December 2014.

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# RESTAURANT BRANDS NEW ZEALAND LIMITED

## Quarterly Sales Report

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

(for the 12 weeks 09/09/2014 to 01/12/2014)

	2014/15 (\$000's)	2013/14 (\$000's)	% change
<b><u>Q3 2014/15 vs Q3 2013/14</u></b>			
Total Store Sales - KFC	60,716	55,319	9.8%
Total Store Sales - Pizza Hut	10,866	11,045	-1.6%
Total Store Sales - Starbucks Coffee	5,902	5,841	1.0%
Total Store Sales - Carl's Jr.	3,589	3,971	-9.6%
<b>Total Store Sales</b>	<b>81,073</b>	<b>76,176</b>	<b>6.4%</b>
Same Store Sales - KFC	59,002	53,233	10.8%
Same Store Sales - Pizza Hut	10,862	10,271	5.8%
Same Store Sales - Starbucks Coffee	5,897	5,623	4.9%
Same Store Sales - Carl's Jr.	2,823	3,971	-28.9%
<b>Total Same Store Sales</b>	<b>78,584</b>	<b>73,098</b>	<b>7.5%</b>
<b><u>YTD 2014/15 vs YTD 2013/14</u></b>			
Total Store Sales - KFC	197,824	184,583	7.2%
Total Store Sales - Pizza Hut	37,352	37,622	-0.7%
Total Store Sales - Starbucks Coffee	19,130	18,816	1.7%
Total Store Sales - Carl's Jr.	12,435	10,599	17.3%
<b>Total Store Sales</b>	<b>266,741</b>	<b>251,620</b>	<b>6.0%</b>
Same Store Sales - KFC	193,399	179,575	7.7%
Same Store Sales - Pizza Hut	37,329	34,710	7.5%
Same Store Sales - Starbucks Coffee	19,056	18,148	5.0%
Same Store Sales - Carl's Jr.	6,976	10,598	-34.2%
<b>Total Same Store Sales</b>	<b>256,760</b>	<b>243,031</b>	<b>5.6%</b>
<b><u>NUMBER OF STORES OPEN AT QUARTER END</u></b>			
Qtr End no of Stores - KFC	91	90	1
Qtr End no of Stores - Pizza Hut	47	52	-5
Qtr End no of Stores - Starbucks Coffee	26	27	-1
Qtr End no of Stores - Carl's Jr.	9	8	1
<b>Total Stores</b>	<b>173</b>	<b>177</b>	<b>-4</b>