

11 March 2015
NZX

Restaurant Brands' Fourth Quarter Sales up 10.6%

Note: Restaurant Brands' results for the 2014/15 financial year are on a 53 week basis vs 52 weeks for the previous year. Because the company normally uses a 52 week (364 day) year, a "leap year" is occasionally required, hence an extra week in the fourth quarter. All comparative % and dollar changes in sales are restated to a 52 week equivalent. Unadjusted and adjusted comparisons are contained in the appended tables.

Restaurant Brands' total sales during the fourth quarter of the financial year (13 weeks ended 2 March 2015) were \$92.8 million, an increase of 10.6% or \$8.2 million on the equivalent 12 week quarter in the prior year.

Of the total equivalent increase, KFC contributed \$5.3 million, driven by strong same store sales. Carl's Jr. contributed a further \$3.3m mostly from the acquisition of seven Auckland-based Carl's Jr. stores.

Same store sales for the company were up 5.7%, led by KFC which grew 7.5%, Starbucks Coffee was up 5.3% and Pizza Hut up 1.7%. Carl's Jr. was down 11.4% on a same store basis as the brand continued to roll over high store opening sales experienced in the prior year.

KFC

Total sales for KFC were \$67.2 million, up 9.3% or \$5.3 million on the equivalent 12 week period last year. This is rolling over an increase of 5.0% the year before.

Same store sales were up by 7.5%. The strong sales continue to be driven by the new menu (in particular around family meals), increased marketing spend and longer store opening hours. Successful promotions in the quarter were the unique *Moroccan Burger* and the *Festive Season Bucket* campaign and promotions around the Cricket World Cup.

Full year sales for KFC over the 53 week period were \$265.0 million, an increase of 7.7% on the equivalent 52 week period in the prior year and up 7.7% on a same store basis.

Store numbers remained steady through the quarter at 91, up one on prior year.

Pizza Hut

Total sales for Pizza Hut were \$11.0 million for the quarter, a decrease of 5.3% on the equivalent 12 week period last year (compared with a 1.2% decrease in the prior year). This result is despite having five fewer stores as the company continued its strategy of selling lower volume stores to independent franchisees.

Same store sales for the quarter increased by 1.7% on top of 8.9% growth in the same quarter of the prior year. The brand enjoyed good sales during the quarter from the *Double Beef and Bacon* pizza with free *Stuffed Crust*.

Full year sales for Pizza Hut over the 53 week period were \$48.4 million, down 1.7% on the equivalent 52 week period last year, but up 6.3% on a same store basis.

There were 46 company stores at the end of the quarter versus 51 in the prior year. With the sale of the Newmarket store to an independent franchisee during the quarter there are now 42 Pizza Hut stores operated by independent franchisees.

Starbucks Coffee

Starbucks Coffee total quarterly sales were \$6.9 million, up \$0.2 million or 2.9% on the equivalent 12 week period last year, despite having one store less than the prior year.

Same store sales were up 5.3% (rolling over a 7.5% 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.

Full year sales for Starbucks Coffee over the 53 week period were \$26.1 million, an increase of 2.0% on the equivalent 52 week period last year and up 5.1% on a same store basis.

Store numbers remained steady during the quarter at 26, but down one on prior year.

Carl's Jr.

Total Carl's Jr. sales for the 13 weeks of the quarter were \$7.6 million, an increase of 88.7% on the equivalent 12 week period last year with same store sales down 11.4%.

The company opened a store in Manukau and acquired seven previously independent Auckland stores in December 2014. A further store was opened in Albany in the 53rd week of the fiscal year.

Full year sales for Carl's Jr. over the 53 week period were \$20.1 million, an increase of 35.8% on the equivalent 52 week period last year, but down 28.3% on a same store basis.

The brand is beginning to build awareness and loyalty across the total network, which comprised 18 stores at the end of the quarter.

Annual Profit Announcement

The company will announce its full year profit results on 16 April 2015.

For further information please contact

Russel Creedy

CEO

Phone: 525 8710

Grant Ellis

CFO/Company Secretary

Phone: 525 8710

ENDS

RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4) - Unadjusted

(for the 13 weeks 02/12/2014 to 02/03/2015)

	2014/15 (\$000's) (Including 53rd Week)	2013/14 (\$000's)	% change
<u>Q4 2014/15 vs Q4 2013/14</u>			
Total Store Sales - KFC	67,214	56,938	18.0%
Total Store Sales - Pizza Hut	11,012	10,771	2.2%
Total Store Sales - Starbucks Coffee	6,937	6,225	11.4%
Total Store Sales - Carl's Jr.	7,624	3,715	105.2%
Total Store Sales	92,788	77,649	19.5%
<u>YTD 2014/15 vs YTD 2013/14</u>			
Total Store Sales - KFC	265,038	241,521	9.7%
Total Store Sales - Pizza Hut	48,364	48,393	-0.1%
Total Store Sales - Starbucks Coffee	26,067	25,041	4.1%
Total Store Sales - Carl's Jr.	20,059	14,314	40.1%
Total Store Sales	359,529	329,269	9.2%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	91	90	1
Qtr End no of Stores - Pizza Hut	46	51	-5
Qtr End no of Stores - Starbucks Coffee	26	27	-1
Qtr End no of Stores - Carl's Jr.	18	8	10
Total Stores	181	176	5

RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4) - Adjusted

(for the 12 weeks 02/12/2014 to 23/02/2015 - For prior year comparative purposes the 2014/15 year is restated to a 12 week fourth quarter and 52 week year.)

<u>Q4 2014/15 vs Q4 2013/14</u>	2014/15 (\$000's) (Excluding 53rd Week)	2013/14 (\$000's)	% change
Total Store Sales - KFC	62,260	56,938	9.3%
Total Store Sales - Pizza Hut	10,205	10,771	-5.3%
Total Store Sales - Starbucks Coffee	6,404	6,225	2.9%
Total Store Sales - Carl's Jr.	7,010	3,715	88.7%
Total Store Sales	85,879	77,649	10.6%
Same Store Sales - KFC	60,026	55,822	7.5%
Same Store Sales - Pizza Hut	9,811	9,645	1.7%
Same Store Sales - Starbucks Coffee	6,313	5,995	5.3%
Same Store Sales - Carl's Jr.	3,233	3,648	-11.4%
Total Same Store Sales	79,382	75,111	5.7%
<u>YTD 2014/15 vs YTD 2013/14</u>			
Total Store Sales - KFC	260,084	241,521	7.7%
Total Store Sales - Pizza Hut	47,556	48,393	-1.7%
Total Store Sales - Starbucks Coffee	25,534	25,041	2.0%
Total Store Sales - Carl's Jr.	19,445	14,314	35.8%
Total Store Sales	352,620	329,269	7.1%
Same Store Sales - KFC	253,425	235,398	7.7%
Same Store Sales - Pizza Hut	47,140	44,355	6.3%
Same Store Sales - Starbucks Coffee	25,368	24,143	5.1%
Same Store Sales - Carl's Jr.	10,208	14,246	-28.3%
Total Same Store Sales	336,142	318,142	5.7%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	91	90	1
Qtr End no of Stores - Pizza Hut	46	51	-5
Qtr End no of Stores - Starbucks Coffee	26	27	-1
Qtr End no of Stores - Carl's Jr.	17	8	9
Total Stores	180	176	4