

4 June 2015
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Restaurant Brands' First Quarter Sales up 14.7%

Restaurant Brands' total sales during the first quarter of the financial year (12 weeks ended 25 May 2015) were \$89.1 million, an increase of 14.7% or \$11.4 million on the equivalent period last year.

Of the total increase, KFC contributed \$7.5 million, driven by strong same store sales. Carl's Jr. contributed a further \$4.4 million, mostly from higher store numbers following the acquisition of seven Auckland-based Carl's Jr. stores.

Same store sales for the company were up 7.6%, led by KFC which grew 9.8% and Starbucks Coffee up 8.9%. Pizza Hut was slightly down at 0.5% with Carl's Jr. down 5.2%.

KFC

Total sales for KFC were \$64.4 million, up 13.2% (compared with 5.2% growth the year before) or \$7.5 million on the equivalent period last year.

Same store sales were up by 9.8%. The strong sales continue to be driven by the store transformation program, increased marketing spend and longer store opening hours. Successful promotions in the quarter were the *Super Zinger Burger*, *Zinger Stacker Burger*, the innovative *Crispy Burrito* as well as a highly successful *Super Bucket* with a free rugby ball as part of the KFC New Zealand Super Rugby teams' sponsorship.

During the quarter a new store opened in Albany bringing the total store count to 92, up one on prior year.

Pizza Hut

Total sales for Pizza Hut were \$10.5 million for the quarter, a decrease of 7.6% on the equivalent period last year (compared with a 0.3% increase in the prior year). This result is due to having four fewer stores as the company continued its strategy of selling lower volume stores to independent franchisees.

Same store sales for the quarter decreased slightly by -0.5% compared to a 9.3% growth in the same quarter of the prior year which benefitted from strong sales of the *Hot Dog Stuffed Crust* promotion.

There were 46 company stores at the end of the quarter versus 50 in the prior year. There are now 43 Pizza Hut stores operated by independent franchisees.

Starbucks Coffee

Starbucks Coffee total quarterly sales were \$6.1 million, up \$0.4 million or 6.6% on the equivalent period last year, despite having one less store.

Same store sales were up 8.9% (rolling over a 5.5% 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.

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 quarter were \$8.0 million, an increase of 119.2% on the equivalent period last year, driven by an increase of 10 new and acquired stores to the portfolio.

On a same store basis sales were down 5.2% (compared to -36.2% last year) with the brand showing positive growth for some stores, with other stores still rolling over high opening period sales.

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

For further information please contact

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 1st Quarter (Q1)

(for the 12 weeks 03/03/2015 to 25/05/2015)

	2015/16 (\$000's)	2014/15 (\$000's)	% change
<u>Q1 2015/16 vs Q1 2014/15</u>			
Total Store Sales - KFC	64,449	56,936	13.2%
Total Store Sales - Pizza Hut	10,467	11,330	-7.6%
Total Store Sales - Starbucks Coffee	6,113	5,736	6.6%
Total Store Sales - Carl's Jr.	8,033	3,665	119.2%
Total Store Sales	89,062	77,667	14.7%
Same Store Sales - KFC	61,829	56,309	9.8%
Same Store Sales - Pizza Hut	10,174	10,225	-0.5%
Same Store Sales - Starbucks Coffee	6,072	5,578	8.9%
Same Store Sales - Carl's Jr.	3,475	3,665	-5.2%
Total Same Store Sales	81,550	75,777	7.6%
<u>YTD 2015/16 vs YTD 2014/15</u>			
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<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	92	91	1
Qtr End no of Stores - Pizza Hut	46	50	-4
Qtr End no of Stores - Starbucks Coffee	26	27	-1
Qtr End no of Stores - Carl's Jr.	18	8	10
Total Stores	182	176	6