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Restaurant Brands' Third Quarter Sales up 9.4%

Restaurant Brands' total sales for the third quarter of the financial year (12 weeks ended 7 December 2015) were \$88.7 million, an increase of 9.4% or \$7.6 million on the equivalent period last year.

Of the total increase, KFC contributed \$3.8 million, driven by solid same store sales growth. Carl's Jr. contributed a further \$4.0 million, mostly from higher store numbers following the acquisition of seven Auckland-based Carl's Jr. stores in December 2014.

Same store sales for the company were up 3.7%, led by KFC which grew 3.7%. Starbucks Coffee sales were up 6.6% and Pizza Hut up 4.2%. Carl's Jr. was slightly down by 2.5%.

KFC

Total sales for KFC were \$64.5 million, up \$3.8 million or 6.2%, rolling over 9.8% growth the previous year.

Same store sales were up by 3.7% rolling over a high 10.8% same store growth figure from the same period last year. Same store sales have eased back slightly as the business is rolling over double digit growth in the previous year. Successful promotions in the quarter were the innovative *Sour Cream & Sweet Chilli* burger and the return of the very popular *Surf Safe Buckets* with a \$1 donation to Surf Life Saving New Zealand for every bucket sold.

Year to date sales for KFC were \$217.6 million, an increase of 10.0% on prior year and up 7.2% on a same store basis.

Store numbers decreased by one to 91 during the quarter with the closure of the loss-making Kaikohe store.

Pizza Hut

Total sales for Restaurant Brands' Pizza Hut stores were \$10.4 million for the quarter, a decrease of 3.9% on the equivalent period last year, due to having six fewer stores as the company continued its strategy of selling lower volume stores to independent franchisees and closing one more store of the remaining Red Roof dine in restaurant format.

Same store sales for the quarter increased 4.2% compared to a 5.8% growth in the same quarter of the prior year benefiting from the launch of a new mobile friendly Pizza Hut website.

Year to date sales for Pizza Hut were \$35.0 million, a decrease of 6.3% in total (six fewer stores than the previous year) and up 0.9% on a same store basis.

There were 41 company stores at the end of the quarter versus 47 in the prior year. There are now 47 Pizza Hut stores operated by independent franchisees with the Dannemora and Mt Eden stores sold

to independent franchisees in the quarter. Additionally the Rotorua Red Roof dine in restaurant was closed over the period.

As a brand Pizza Hut continues to grow strongly with the total network sales for the quarter at \$20.1 million (up 7.0%). Year to date sales for the entire network are \$65.9 million (up 6.8%).

Starbucks Coffee

Starbucks Coffee total quarterly sales were \$6.2 million, up \$0.3 million or 5.7% on the equivalent period last year.

Same store sales were up 6.6% (rolling over a 4.9% increase in the prior year). The brand continues to see growth in sales driven by better value and improved customer experience initiatives implemented over the past two years.

Year to date sales for Starbucks Coffee were \$20.2 million, an increase of 5.3% on a total basis and up 7.3% 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 \$7.5 million, an increase of 110.3% on the equivalent period last year, largely because of the increase in store numbers with 9 new and acquired stores added to the portfolio since the equivalent period last year.

On a same store basis sales were down 2.5% with the brand showing positive growth for some stores and other stores still rolling over high opening period sales.

The brand is building awareness and customer loyalty across the network, which comprised 18 stores at the end of the quarter and one new store planned to open in the fourth quarter.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 3rd Quarter (Q3)

(for the 12 weeks 15/09/2015 to 07/12/2015)

	2015/16 (\$000's)	2014/15 (\$000's)	% change
<u>Q3 2015/16 vs Q3 2014/15</u>			
Total Store Sales - KFC	64,470	60,716	6.2%
Total Store Sales - Pizza Hut	10,440	10,866	-3.9%
Total Store Sales - Starbucks Coffee	6,240	5,902	5.7%
Total Store Sales - Carl's Jr.	7,548	3,589	110.3%
Total Store Sales	88,698	81,073	9.4%
Same Store Sales - KFC	61,633	59,417	3.7%
Same Store Sales - Pizza Hut	10,137	9,729	4.2%
Same Store Sales - Starbucks Coffee	6,226	5,840	6.6%
Same Store Sales - Carl's Jr.	3,499	3,589	-2.5%
Total Same Store Sales	81,495	78,575	3.7%
<u>YTD 2015/16 vs YTD 2014/15</u>			
Total Store Sales - KFC	217,642	197,824	10.0%
Total Store Sales - Pizza Hut	34,983	37,352	-6.3%
Total Store Sales - Starbucks Coffee	20,151	19,130	5.3%
Total Store Sales - Carl's Jr.	25,936	12,435	108.6%
Total Store Sales	298,712	266,741	12.0%
Same Store Sales - KFC	208,114	194,089	7.2%
Same Store Sales - Pizza Hut	34,006	33,703	0.9%
Same Store Sales - Starbucks Coffee	20,095	18,728	7.3%
Same Store Sales - Carl's Jr.	11,745	12,435	-5.5%
Total Same Store Sales	273,960	258,955	5.8%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC	91	91	0
Qtr End no of Stores - Pizza Hut	41	47	-6
Qtr End no of Stores - Starbucks Coffee	26	26	0
Qtr End no of Stores - Carl's Jr.	18	9	9
Total Stores	176	173	3