

10 March 2016
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Restaurant Brands' Annual Sales up 9.9%

Note: Restaurant Brands' results for the 2014/15 financial year (prior year) were on a 53 week basis compared with 52 weeks for the current year. Because the company normally reports on a 52 week (364 day) year, a "leap year" is occasionally required, hence an extra week in the fourth quarter of the prior year. 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 for the financial year (52 weeks ended 29 February 2016) were \$387.6 million, an increase of 9.9% or \$34.9 million on the equivalent 52 week period in the prior year. On an unadjusted basis sales were up 7.8%.

Of the total equivalent increase, KFC contributed \$22.4 million, driven by strong same store sales growth. Carl's Jr. contributed a further \$13.9 million from an increase in store numbers.

Same store sales for the financial year were up 5.3%, led by KFC up 6.3% and Starbucks Coffee up 6.9%. Pizza Hut saw a sales increase of 2.6% and Carl's Jr. was down 5.1%.

KFC

Full year sales for KFC were \$282.5 million, an increase of 8.6% on the equivalent 52 week period in the prior year and up 6.3% on a same store basis.

For the fourth quarter, total sales for KFC were \$64.9 million, up 4.2% or \$2.6 million on the equivalent 12 week period last year. This is rolling over an increase of 9.3% the year before.

Quarterly same store sales were up by 3.5%, on top of a high 7.5% same store growth figure from the same period last year. Successful promotions in the quarter were the return of the popular *Festive Meal* family buckets and the *Bacon & Avocado* burger.

Store numbers remained steady through the quarter at 91.

Pizza Hut

Restaurant Brands' full year sales for Pizza Hut were \$44.9 million, a decrease of 5.6% on the equivalent 52 week period in the prior year (seven fewer stores than the previous year). On a same store basis sales were up 2.6%.

Total sales for the quarter for Restaurant Brands' own Pizza Hut stores were \$9.9 million, a decrease of 3.1% on the equivalent 12 week period last year, due to having seven fewer stores as the company continued its strategy of selling lower volume and regional stores to independent franchisees.

Same store sales for the fourth quarter increased 8.8% benefiting from the launch of a new mobile friendly Pizza Hut website and a revised menu.

There were 39 company stores at the end of the quarter versus 46 in the prior year. There are now 50 Pizza Hut stores operated by independent franchisees with the Mt Wellington and Mt Albert stores sold to independent franchisees in the quarter.

As a brand, Pizza Hut continued to grow strongly with the total network sales for the quarter at \$20.2 million (up 9.5% on the equivalent period). Full year sales for the entire network were \$86.1 million (up 7.2% on the equivalent period).

Starbucks Coffee

Full year sales for Starbucks Coffee were \$26.8 million, an increase of 5.0% on the total equivalent 52 week period last year and up 6.9% on a same store basis.

Starbucks Coffee total quarterly sales were \$6.7 million, up \$0.3 million or 4.0% on the equivalent 12 week period last year.

Same store sales were up 5.5% (rolling over a 5.3% 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.

Store numbers reduced by one store during the quarter to 25 with the closure of the Courtenay Place store in Wellington.

Carl's Jr.

Full year sales for Carl's Jr. were \$33.4 million, an increase of 71.5% on the total equivalent 52 week period last year, driven by an increase in store numbers. Sales were down 5.1% on a same store basis.

Total Carl's Jr. sales for the quarter were \$7.4 million, an increase of 5.8% on the equivalent 12 week period last year, with the impact of new stores in the prior year trading for a full quarter.

On a same store basis sales quarterly were down 4.3%, 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. A new store opened at Church Corner in Christchurch after balance date to strong initial sales, with a further store scheduled to open in the same city next month.

Annual Profit Announcement

The company will announce its full year profit results on 14 April 2016.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4) - Adjusted for 53rd Week

(for the 12 weeks 08/12/2015 to 29/02/2016)

<u>Q4 2015/16 vs Q4 2014/15</u>	2015/16 (\$000's)	<u>(Excluding 53rd Week)</u>	
		2014/15 (\$000's)	% change
Total Store Sales - KFC	64,890	62,260	4.2%
Total Store Sales - Pizza Hut	9,889	10,205	-3.1%
Total Store Sales - Starbucks Coffee	6,661	6,404	4.0%
Total Store Sales - Carl's Jr.	7,415	7,010	5.8%
Total Store Sales	88,855	85,879	3.5%
<u>YTD 2015/16 vs YTD 2014/15</u>			
Total Store Sales - KFC	282,532	260,084	8.6%
Total Store Sales - Pizza Hut	44,872	47,556	-5.6%
Total Store Sales - Starbucks Coffee	26,812	25,534	5.0%
Total Store Sales - Carl's Jr.	33,351	19,445	71.5%
Total Store Sales	387,567	352,619	9.9%
<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	39	46	-7
Qtr End no of Stores - Starbucks Coffee	25	26	-1
Qtr End no of Stores - Carl's Jr.	18	17	1
Total Stores	173	180	-7

RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4)

(for the 12 weeks 08/12/2015 to 29/02/2016 - The prior year comparative 2014/15 has 13 weeks of trading for the fourth quarter and 53 weeks for the full year)

<u>Q4 2015/16 vs Q4 2014/15</u>	2015/16 (\$000's)	(Including 53rd Week)	
		2014/15 (\$000's)	% change
Total Store Sales - KFC	64,890	67,214	-3.5%
Total Store Sales - Pizza Hut	9,889	11,012	-10.2%
Total Store Sales - Starbucks Coffee	6,661	6,937	-4.0%
Total Store Sales - Carl's Jr.	7,415	7,624	-2.7%
Total Store Sales	88,855	92,787	-4.2%
Same Store Sales - KFC	63,290	61,155	3.5%
Same Store Sales - Pizza Hut	9,758	8,969	8.8%
Same Store Sales - Starbucks Coffee	6,588	6,242	5.5%
Same Store Sales - Carl's Jr.	6,606	6,900	-4.3%
Total Same Store Sales	86,242	83,266	3.6%
<u>YTD 2015/16 vs YTD 2014/15</u>			
Total Store Sales - KFC	282,532	265,038	6.6%
Total Store Sales - Pizza Hut	44,872	48,364	-7.2%
Total Store Sales - Starbucks Coffee	26,812	26,067	2.9%
Total Store Sales - Carl's Jr.	33,351	20,059	66.3%
Total Store Sales	387,567	359,528	7.8%
Same Store Sales - KFC	271,404	255,244	6.3%
Same Store Sales - Pizza Hut	43,764	42,672	2.6%
Same Store Sales - Starbucks Coffee	26,683	24,970	6.9%
Same Store Sales - Carl's Jr.	18,351	19,335	-5.1%
Total Same Store Sales	360,202	342,221	5.3%
<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	39	46	-7
Qtr End no of Stores - Starbucks Coffee	25	26	-1
Qtr End no of Stores - Carl's Jr.	18	18	0
Total Stores	173	181	-8