

**22 September 2016**  
**NZX**

### **Restaurant Brands' Second Quarter Sales up 31.9% Following Australian Acquisition**

Restaurant Brands' total sales during the second quarter of the financial year (16 weeks ended 12 September 2016) were \$159.5 million, an increase of 31.9% or \$38.6 million on the equivalent period last year.

Of the increase, the acquisition of 42 KFC outlets in Australia contributed \$35.5 million, KFC New Zealand \$3.3 million and Carl's Jr. \$1.0 million. Pizza Hut total company sales were down \$1.3 million with the sale of seven stores to independent franchisees.

Same store sales for the company increased by 2.1%, led by Pizza Hut which grew 5.3% with positive growth from KFC up 2.3% and Starbucks Coffee up 4.0%. Carl's Jr. ended the quarter with negative same store sales of 4.4%.

Total company store numbers were up on the equivalent period last year by 35 to 215 with the Australian acquisition, off-set by Pizza Hut store sales to independent franchisees.

#### **KFC**

For the second quarter, total sales for KFC were \$92.0 million, up 3.7% or \$3.3 million on the equivalent period last year. This is rolling over an increase of 10.7% the year before.

Quarterly same store sales were up by 2.3%, on top of a high 8.0% same store growth figure from the same period last year.

Year to date sales for KFC were \$157.4 million, an increase of 2.8% on a total basis and up 1.9% on a same store basis.

Store numbers remained steady through the quarter at 91.

#### **Pizza Hut**

Total sales for the quarter for Restaurant Brands owned Pizza Hut stores were \$12.8 million, a decrease of 9.1% on the equivalent period last year, due to having seven fewer stores as the company continued its strategy of selling stores to independent franchisees. Same store sales for the quarter increased by 5.3%.

Year to date sales for Restaurant Brands owned Pizza Hut stores were \$22.0 million, an increase of 4.8% on a same store basis.

There were 37 company stores at the end of the quarter versus 44 in the prior year. There are now 53 Pizza Hut stores operated by independent franchisees with the total network comprising 90 stores.

As a brand, Pizza Hut continued to grow strongly with the total network sales for the quarter up 7.2% on prior year.

### **Starbucks Coffee**

Starbucks Coffee total sales for the quarter were \$7.8 million, in line with the equivalent period last year, but with one less store.

Same store sales were up 4.0% (rolling over a 6.7% increase in the prior year).

Year to date sales for Starbucks Coffee were \$13.8 million, up 3.1% on a same store basis.

Store numbers remained steady during the quarter at 25, one fewer than the prior year.

### **Carl's Jr.**

Total Carl's Jr. sales for the quarter were \$11.4 million, an increase of 10.0% on the equivalent period last year with two additional stores. On a same store basis sales for the quarter were down 4.4%.

Year to date sales for Carl's Jr. were \$19.3 million, an increase of 5.2% on a total basis and down 8.4% on a same store basis.

Store numbers have increase by two from the same period prior year and at the end of the quarter were 20.

### **KFC Australia**

On 27 April 2016 Restaurant Brands acquired 42 KFC stores in New South Wales, Australia.

The 42 acquired stores contributed total sales of AUD\$33.8 million (NZD\$35.5 million) to the company during the second quarter, in line with sales achieved in the prior year. Year to date the contribution is AUD\$41.4 million (NZD\$43.6 million) with the stores acquired partway through the first quarter.

Store numbers remained steady at 42 during the quarter.

### **Half Year Results**

The financial results for the first half year will be released on 26 October 2016.

For further information please contact

Russel Creedy

CEO

Phone: 525 8710

ENDS

Grant Ellis

CFO/Company Secretary

Phone: 525 8710

**RESTAURANT BRANDS NEW ZEALAND LIMITED**

Quarterly Sales Report

**Summary of Results for the 2nd Quarter (Q2)**

(for the 16 weeks 24/05/2016 to 12/09/2016)

	2016/17 (\$000's)	2015/16 (\$000's)	% change
<b><u>Q2 2016/17 vs Q2 2015/16</u></b>			
Total Store Sales - KFC New Zealand	92,039	88,722	3.7%
Total Store Sales - Pizza Hut	12,793	14,076	-9.1%
Total Store Sales - Starbucks Coffee	7,807	7,798	0.1%
Total Store Sales - Carl's Jr.	11,390	10,355	10.0%
<b>Total Store Sales - New Zealand</b>	<b>124,029</b>	<b>120,951</b>	<b>2.5%</b>
Total Store Sales - KFC Australia *	35,504	-	-
<b>Total Store Sales</b>	<b>159,533</b>	<b>120,951</b>	<b>31.9%</b>
Same Store Sales - KFC New Zealand	90,155	88,160	2.3%
Same Store Sales - Pizza Hut	12,497	11,872	5.3%
Same Store Sales - Starbucks Coffee	7,779	7,477	4.0%
Same Store Sales - Carl's Jr.	9,894	10,352	-4.4%
<b>Same Store Sales - New Zealand</b>	<b>120,325</b>	<b>117,861</b>	<b>2.1%</b>
Same Store Sales - KFC Australia *	N/A	-	-
<b>Total Same Store Sales</b>	<b>120,325</b>	<b>117,861</b>	<b>2.1%</b>
<b><u>YTD 2016/17 vs YTD 2015/16</u></b>			
Total Store Sales - KFC New Zealand	157,417	153,171	2.8%
Total Store Sales - Pizza Hut	22,023	24,543	-10.3%
Total Store Sales - Starbucks Coffee	13,784	13,911	-0.9%
Total Store Sales - Carl's Jr.	19,338	18,388	5.2%
<b>Total Store Sales - New Zealand</b>	<b>212,562</b>	<b>210,013</b>	<b>1.2%</b>
Total Store Sales - KFC Australia *	43,596	-	-
<b>Total Store Sales</b>	<b>256,158</b>	<b>210,013</b>	<b>22.0%</b>
Same Store Sales - KFC New Zealand	155,009	152,097	1.9%
Same Store Sales - Pizza Hut	21,582	20,585	4.8%
Same Store Sales - Starbucks Coffee	13,728	13,318	3.1%
Same Store Sales - Carl's Jr.	16,837	18,381	-8.4%
<b>Same Store Sales - New Zealand</b>	<b>207,156</b>	<b>204,381</b>	<b>1.4%</b>
Same Store Sales - KFC Australia *	N/A	-	-
<b>Total Same Store Sales</b>	<b>207,156</b>	<b>204,381</b>	<b>1.4%</b>
<b><u>NUMBER OF STORES OPEN AT QUARTER END</u></b>			
Qtr End no of Stores - KFC New Zealand	91	92	-1
Qtr End no of Stores - Pizza Hut	37	44	-7
Qtr End no of Stores - Starbucks Coffee	25	26	-1
Qtr End no of Stores - Carl's Jr.	20	18	2
<b>Total Store no - New Zealand</b>	<b>173</b>	<b>180</b>	<b>-7</b>
Qtr End no of Stores - KFC Australia	42	0	42
<b>Total Stores</b>	<b>215</b>	<b>180</b>	<b>35</b>
<b><u>AUSTRALIAN SALES IN AUD</u></b>			
<b><u>Q2 2016/17 vs Q2 2015/16</u></b>			
Total Store Sales - KFC Australia	33,811	-	-
Same Store Sales - KFC Australia	N/A	-	-
<b><u>YTD 2016/17 vs YTD 2015/16</u></b>			
Total Store Sales - KFC Australia	41,383	-	-
Same Store Sales - KFC Australia	N/A	-	-
* <b>Note:</b>			
- Blended AUD:NZD rate for Q2	0.952	-	-
- Blended AUD:NZD rate for YTD	0.949	-	-