

15 December 2016
NZX

Restaurant Brands' Third Quarter Sales up 34.7% following Australian Acquisition

Restaurant Brands' total sales during the third quarter of the financial year (12 weeks ended 5 December 2016) were \$119.4 million, an increase of 34.7% or \$30.7 million on the equivalent period last year.

Of the increase, the recently acquired 42 KFC outlets in Australia contributed \$26.5 million, KFC New Zealand \$3.9 million and Carl's Jr. \$1.2 million. Pizza Hut total company sales were down \$0.9 million with the sale of five stores to independent franchisees.

The company saw positive same store sales growth for all brands, up 4.1% in total. KFC New Zealand grew 4.2%, Pizza Hut was up 2.4%, Starbucks Coffee up 5.6% and Carl's Jr. ended the quarter with positive same store sales of 3.5%.

Total company store numbers were up by 38 on the equivalent period last year to 214 with the Australian acquisition, off-set by Pizza Hut store sales to independent franchisees.

KFC New Zealand

Total sales in the quarter for KFC New Zealand were \$68.3 million, up 6.0% or \$3.9 million on the equivalent period last year. This is rolling over an increase of 6.2% the year before.

Same store sales for the quarter were up by 4.2%.

Year to date sales for KFC were \$225.7 million, an increase of 3.7% on a total basis and up 2.6% on a same store basis.

Store numbers increased by one to 92 during the quarter with the opening of a new KFC store in Rolleston.

Pizza Hut

Total quarterly sales for Restaurant Brands-owned Pizza Hut stores were \$9.5 million, a decrease of 9.1% on the equivalent period last year, due to having five fewer stores as the company continued its strategy of selling stores to independent franchisees.

Same store sales for the quarter increased by 2.4%.

Year to date sales for Restaurant Brands owned Pizza Hut stores were \$31.5 million, an increase of 4.1% on a same store basis.

Company owned stores reduced by one during the quarter to 36 versus 41 in the prior year with the Grey Lynn store sold to an independent franchisee. There are now 56 Pizza Hut stores operated by independent franchisees with the total network increasing by two stores to 92 during the quarter.

As a brand, Pizza Hut continued to grow strongly with the total network sales for the quarter up 6.3% on prior year.

Starbucks Coffee

Starbucks Coffee total sales for the quarter were \$6.4 million, a slight increase on the equivalent period last year, but with one less store.

Same store sales were up 5.6% (rolling over a 6.6% increase in the prior year).

Year to date sales for Starbucks Coffee were \$20.1 million, up 3.9% on a same store basis.

Store numbers reduced by one during the quarter with the end of lease closure of the Aotea Square store in Auckland. There were 24 stores trading at the end of the quarter, down two versus the previous year.

Carl's Jr.

Total sales for the quarter were \$8.8 million, an increase of 16.1% on the equivalent period last year with two additional stores.

Carl's Jr. enjoyed its first quarter of positive same store sales growth, which increased by 3.5%.

Year to date sales for Carl's Jr. were \$28.1 million, an increase of 8.3% on a total basis.

Store numbers have increased 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\$25.3 million (NZD\$26.5 million) to the company during the quarter, which is an increase of 7% on a same store basis over the equivalent period in the prior year.

Year to date the acquired stores contributed AUD\$66.6 million (NZD\$70.1 million).

Store numbers remained steady at 42 during the quarter.

For further information please contact

Russel Creedy
CEO
Phone: 525 8700

Grant Ellis
CFO/Company Secretary
Phone: 525 8700

ENDS

RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 3rd Quarter (Q3)

(for the 12 weeks 13/09/2016 to 05/12/2016)

	2016/17 (\$000's)	2015/16 (\$000's)	% change
<u>Q3 2016/17 vs Q3 2015/16</u>			
Total Store Sales - KFC New Zealand	68,323	64,470	6.0%
Total Store Sales - Pizza Hut	9,493	10,440	-9.1%
Total Store Sales - Starbucks Coffee	6,353	6,240	1.8%
Total Store Sales - Carl's Jr.	8,761	7,548	16.1%
Total Store Sales - New Zealand	92,930	88,698	4.8%
Total Store Sales - KFC Australia *	26,513	-	-
Total Store Sales	119,443	88,698	34.7%
Same Store Sales - KFC New Zealand	66,749	64,034	4.2%
Same Store Sales - Pizza Hut	9,269	9,052	2.4%
Same Store Sales - Starbucks Coffee	6,298	5,963	5.6%
Same Store Sales - Carl's Jr.	7,811	7,546	3.5%
Same Store Sales - New Zealand	90,127	86,596	4.1%
Same Store Sales - KFC Australia *	N/A	-	-
Total Same Store Sales	90,127	86,596	4.1%
<u>YTD 2016/17 vs YTD 2015/16</u>			
Total Store Sales - KFC New Zealand	225,739	217,642	3.7%
Total Store Sales - Pizza Hut	31,515	34,983	-9.9%
Total Store Sales - Starbucks Coffee	20,138	20,151	-0.1%
Total Store Sales - Carl's Jr.	28,099	25,936	8.3%
Total Store Sales - New Zealand	305,491	298,712	2.3%
Total Store Sales - KFC Australia *	70,109	-	-
Total Store Sales	375,600	298,712	25.7%
Same Store Sales - KFC New Zealand	221,758	216,131	2.6%
Same Store Sales - Pizza Hut	30,851	29,637	4.1%
Same Store Sales - Starbucks Coffee	20,026	19,282	3.9%
Same Store Sales - Carl's Jr.	24,648	25,928	-4.9%
Same Store Sales - New Zealand	297,283	290,978	2.2%
Same Store Sales - KFC Australia *	N/A	-	-
Total Same Store Sales	297,283	290,978	2.2%
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
Qtr End no of Stores - KFC New Zealand	92	91	1
Qtr End no of Stores - Pizza Hut	36	41	-5
Qtr End no of Stores - Starbucks Coffee	24	26	-2
Qtr End no of Stores - Carl's Jr.	20	18	2
Total Store no - New Zealand	172	176	-4
Qtr End no of Stores - KFC Australia	42	0	42
Total Stores	214	176	38
<u>AUSTRALIAN SALES IN AUD</u>			
Q3 2016/17 vs Q3 2015/16			
Total Store Sales - KFC Australia	25,250	-	-
Same Store Sales - KFC Australia	N/A	-	-
YTD 2016/17 vs YTD 2015/16			
Total Store Sales - KFC Australia	66,633	-	-
Same Store Sales - KFC Australia	N/A	-	-
* Note:			
- Blended AUD:NZD rate for Q3	0.952	-	-
- Blended AUD:NZD rate for YTD	0.950	-	-