

9 March 2017
NZX

Restaurant Brands' Full Year Sales Close to \$500 million, up 28%

Restaurant Brands' total sales for the 12 months ended 27 February were \$497.2 million, up 28.3% on the prior year.

New Zealand operations generated sales of \$400.0 million, up 3.2%, with an additional \$97.2 million generated by the 42 KFC outlets in Australia (acquired in April 2016).

Group same store sales for the year were +3.0% with Pizza Hut and KFC New Zealand both up 3.6%, Starbucks Coffee up 4.5% and Carl's Jr, slightly down at -3.8%.

The Company finished the year strongly with fourth quarter sales of \$121.6 million, an increase of 36.8% or \$32.7 million on the equivalent period last year. There was positive same store sales growth for all brands, up 6.0% in total, led by KFC New Zealand at +7.1%, Starbucks Coffee up 6.6%, Pizza Hut up 1.6% and Carl's Jr. ending the quarter with positive same store sales of +0.4%.

Total company store numbers were up by 39 on the equivalent period last year to 212 with the Australian acquisition, off-set by Pizza Hut store sales to independent franchisees.

KFC New Zealand

Year to date sales for KFC New Zealand were \$296.5 million, an increase of 4.9% on a total basis and up 3.6% on a same store basis.

Total sales in the fourth quarter for KFC New Zealand were \$70.7 million, up 9.0% or \$5.8 million on the equivalent period last year. This is rolling over an increase of 4.2% the year before.

Same store sales for the quarter were also up strongly by +7.1%.

Store numbers remained steady at 92 during the quarter.

Pizza Hut

Year to date sales for Restaurant Brands owned Pizza Hut stores were \$40.5 million, an increase of 3.6% on a same store basis.

Total quarterly sales for Restaurant Brands owned Pizza Hut stores were \$9.0 million, a decrease of 9.2% on the equivalent period last year, due to having four fewer stores as the company continued its strategy of selling stores to independent franchisees.

Same store sales for the quarter increased by 1.6%.

Company owned stores reduced by one during the quarter to 35 versus 39 in the prior year with the Invercargill store sold to an independent franchisee. There are now 58 Pizza Hut stores operated by independent franchisees with one new store in Hastings opened during the quarter. This has brought the total network to 93 stores.

As a brand, Pizza Hut continued to grow strongly with the total network sales for the quarter up 6.0% on prior year.

Starbucks Coffee

Full year sales for Starbucks Coffee were \$26.7 million, up 4.5% on a same store basis.

Starbucks Coffee total sales for the fourth quarter were \$6.6 million, a slight decrease on the equivalent period last year, but with one less store. Same store sales for the quarter were up 6.6% (rolling over a 5.5% increase in the prior year).

There were 24 stores trading at the end of the quarter, down one versus the previous year.

Carl's Jr.

Full year sales for Carl's Jr. were \$36.3 million, an increase of 9.0% on a total basis. Sales for the year were down 3.8% on a same store basis, but finished the year with positive growth.

Total sales for the fourth quarter were \$8.2 million, up 11.2% on the equivalent period last year with a net increase of one store.

Carl's Jr. enjoyed a second quarter of positive same store sales growth in succession, up 0.4%.

During the quarter the Company closed the Carl's Jr. restaurant in Otahuhu due to poor trading at the location. With two store openings during the year and the one closure, net store numbers have increased by one from the equivalent period last year to 19 at the end of the quarter.

KFC Australia

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

The 42 acquired stores contributed AUD\$92.5 million (NZD\$97.2 million) in total sales in the ten months since acquisition.

Total sales of AUD\$25.8 million (NZD\$27.1 million) were made during the fourth quarter, which is an increase of 8% on a same store basis over the equivalent period last year.

Store numbers remained steady at 42 during the quarter.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4)

(for the 12 weeks 6/12/2016 to 27/02/2017)

	2016/17 (\$000's)	2015/16 (\$000's)	% change
<u>Q4 2016/17 vs Q4 2015/16</u>			
Total Store Sales - KFC New Zealand	70,726	64,890	9.0%
Total Store Sales - Pizza Hut	8,977	9,889	-9.2%
Total Store Sales - Starbucks Coffee	6,555	6,661	-1.6%
Total Store Sales - Carl's Jr.	8,248	7,415	11.2%
Total Store Sales - New Zealand	94,506	88,855	6.4%
Total Store Sales - KFC Australia *	27,072	-	-
Total Store Sales	121,578	88,855	36.8%
Same Store Sales - KFC New Zealand	68,799	64,228	7.1%
Same Store Sales - Pizza Hut	8,599	8,460	1.6%
Same Store Sales - Starbucks Coffee	6,462	6,063	6.6%
Same Store Sales - Carl's Jr.	7,291	7,264	0.4%
Same Store Sales - New Zealand	91,151	86,015	6.0%
Same Store Sales - KFC Australia *	N/A	-	-
Total Same Store Sales	91,151	86,015	6.0%
<u>YTD 2016/17 vs YTD 2015/16</u>			
Total Store Sales - KFC New Zealand	296,466	282,532	4.9%
Total Store Sales - Pizza Hut	40,492	44,872	-9.8%
Total Store Sales - Starbucks Coffee	26,693	26,812	-0.4%
Total Store Sales - Carl's Jr.	36,347	33,351	9.0%
Total Store Sales - New Zealand	399,998	387,567	3.2%
Total Store Sales - KFC Australia *	97,181	-	-
Total Store Sales	497,179	387,567	28.3%
Same Store Sales - KFC New Zealand	290,557	280,360	3.6%
Same Store Sales - Pizza Hut	39,450	38,097	3.6%
Same Store Sales - Starbucks Coffee	26,488	25,345	4.5%
Same Store Sales - Carl's Jr.	31,939	33,192	-3.8%
Same Store Sales - New Zealand	388,434	376,994	3.0%
Same Store Sales - KFC Australia *	N/A	-	-
Total Same Store Sales	388,434	376,994	3.0%
<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	35	39	-4
Qtr End no of Stores - Starbucks Coffee	24	25	-1
Qtr End no of Stores - Carl's Jr.	19	18	1
Total Store no - New Zealand	170	173	-3
Qtr End no of Stores - KFC Australia	42	-	42
Total Stores	212	173	39
<u>AUSTRALIAN SALES IN AUD</u>			
Q4 2016/17 vs Q4 2015/16			
Total Store Sales - KFC Australia	25,838	-	-
Same Store Sales - KFC Australia	N/A	-	-
YTD 2016/17 vs YTD 2015/16			
Total Store Sales - KFC Australia	92,471	-	-
Same Store Sales - KFC Australia	N/A	-	-
* Note:			
- Blended AUD:NZD rate for Q4	0.954	-	-
- Blended AUD:NZD rate for YTD	0.952	-	-