Full Year Results Presentation

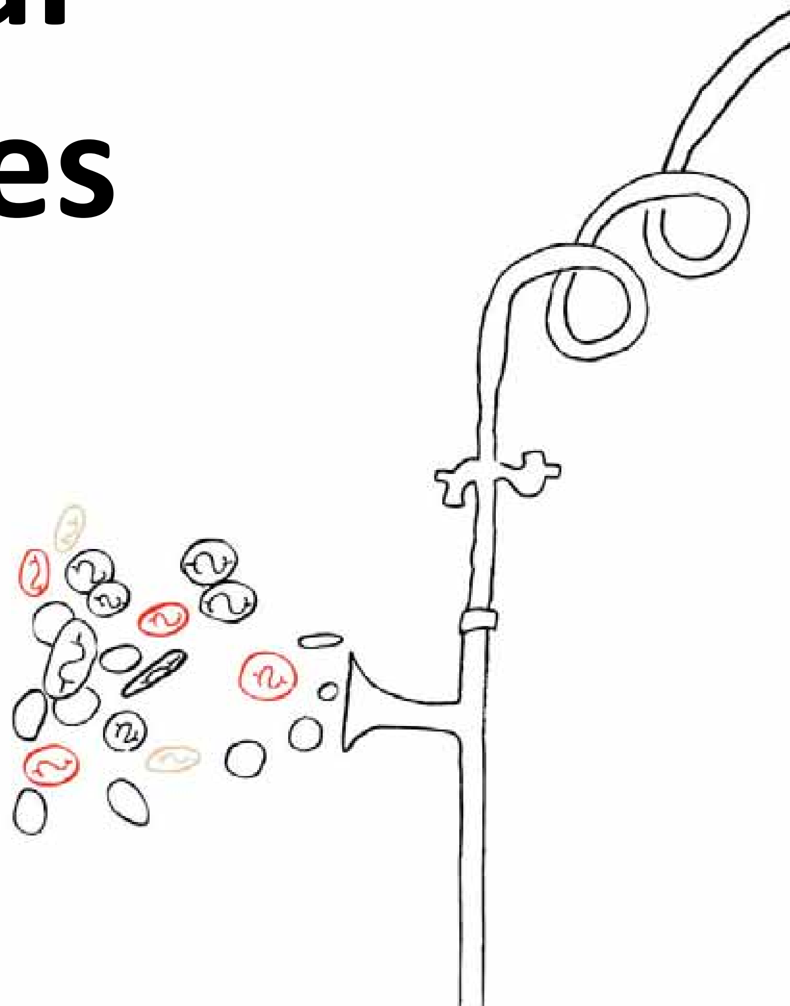
Contents

Restaurant BRANDS NEW ZEALAND LTD

Key Points

- Group Net Profit after Tax (excluding non-trading items) was $18.4 million (18.8 cents per share), down 27% on prior year.
- Total Group Revenue of $308.9 million was down $16 million (4.9%) mainly from the impact of the Christchurch earthquake ($5.9 million) and sell down of Pizza Hut stores ($5.9 million).
- KFC sales reached a new high of $236.3 million with store transformations continuing to produce positive sales and profit growth.
- The Pizza Hut sell-down programme is gaining momentum with 13 stores now sold to independent franchisees.
- Despite reduced operating cash flows, correspondingly lower capital expenditure meant debt levels finished close to prior year at $13.6 million.
- A final fully imputed dividend of 9.5 cents per share, making a full year dividend of 16.0 cents for the year, will be paid on 29 June.
- Carl's Jr rights were acquired for New Zealand as the company's fourth brand.

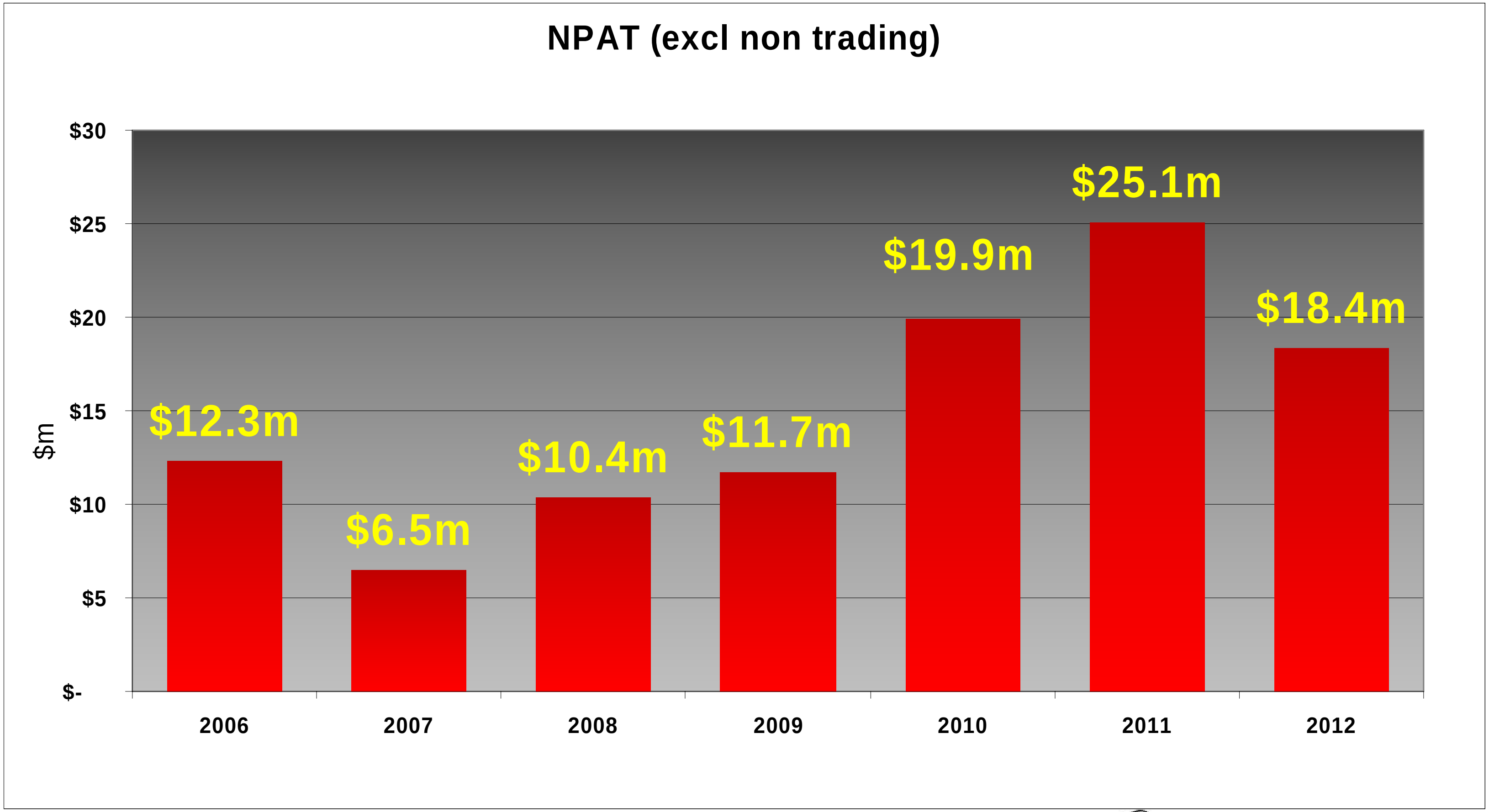
Financial Outcomes



Consolidated NPAT of $18.4m, down 26.8% on prior year

($m)	**FY2010**	**FY2011**	**FY2012**	**$ Δ**
Revenue	**318.3**	**324.9**	**308.9**	**(16.0)**
Gross Margin	63.2	68.2	56.2	(12.0)
Distribution	(3.8)	(3.4)	(3.1)	0.3
Marketing	(16.7)	(15.2)	(15.1)	0.1
G&A	(12.9)	(12.7)	(11.3)	1.4
EBIT	**29.8**	**36.7**	**26.7**	**(10.0)**
Non-trading	(0.6)	(2.0)	(2.3)	(0.3)
Interest	(1.4)	(1.2)	(1.3)	(0.1)
NPBT	27.8	33.5	23.1	(10.4)
Other	-	0.3	-	(0.3)
Tax	(8.2)	(9.5)	(6.2)	3.3
NPAT	**19.5**	**24.3**	**16.9**	**(7.4)**
NPAT (excl non-trading)	**19.9**	**25.1**	**18.4**	**(6.7)**

….. but still well up on previous run rate



Lower sales in FY12 by $16.1m were driven by:

- Christchurch earthquake (KFC, Starbucks) - $5.9m
- Store sales to franchisees (Pizza Hut) - $5.9m
- Softer retail conditions (KFC, Pizza Hut)
- Competitor activity (Pizza Hut)

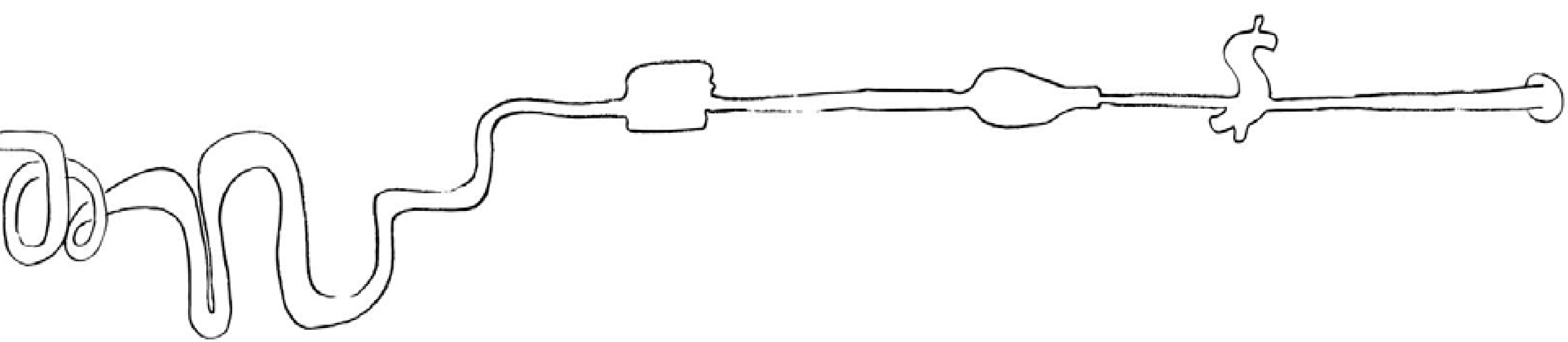
Sales $m	FY2011	FY2012	Total Sales $ Δ	Total Sales % Δ	Same Store Sales % Δ
KFC	235.8	236.3	0.5	0.2	(1.8)
Pizza Hut	59.3	45.5	(13.8)	(23.3)	(9.7)
Starbucks Coffee	29.3	26.5	(2.8)	(9.8)	5.4
TOTAL	**324.4**	**308.1**	**(16.1)**	**(5.0)**	**(2.5)**

Margin growth dropped back across all three brands with sales deleverage and input cost increases

EBITDA $m	FY2010	FY2011	FY2012	FY2012 vs. 2011	
				$ Δ	% Δ
KFC	46.3	52.1	45.6	(6.6)	(12.6)
Pizza Hut	5.4	5.6	2.1	(3.5)	(62.8)
Starbucks Coffee	3.2	4.1	3.7	(0.4)	(8.8)
TOTAL	**54.9**	**61.8**	**51.4**	**(10.4)**	**(16.9)**

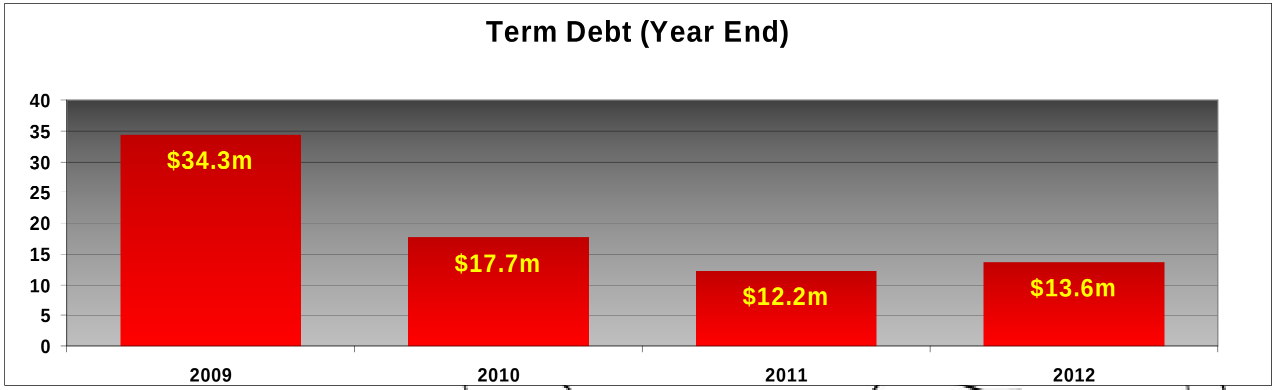
But EBITDA margins are still at acceptable levels for KFC and Starbucks Coffee (although some work to do for Pizza Hut)

%	EBITDA before G&A as a % Sales			
	FY2009	FY2010	FY2011	FY2012
KFC	18.0	20.7	22.1	19.3
Pizza Hut	4.3	8.4	9.5	4.6
Starbucks Coffee	8.8	10.6	14.0	14.2
TOTAL	**14.1**	**17.3**	**19.1**	**16.7**



Operating cash flows reduced in line with margin but reduced capex saw debt remain low

Cashflow $m	FY2009	FY2010	FY2011	FY2012
Operating Cashflow	23.3	38.7	40.6	29.8
Investing Cashflow	(8.1)	(13.2)	(20.4)	(14.3)
Free Cashflow	**15.2**	**25.5**	**20.2**	**15.5**



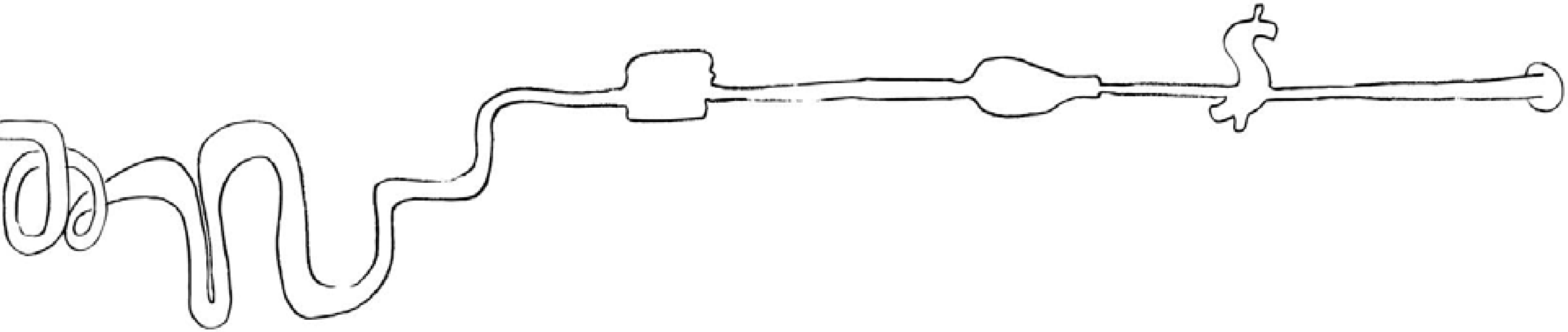
With low borrowings and solid trading results all ratios remain conservative

Bank Facility ($m)	**FY2009**	**FY2010**	**FY2011**	**FY2012**
Westpac	$55m	$45m	$35m	$35m
Interest Cover	5.2x	20.2x	30.6x	20.5x
Net Debt: EBIT	1.7:1	0.6:1	0.3:1	0.5:1
Gearing (D:D+E)	48%	27%	17%	19%
Average Interest Rate	8.3%	4.3%	4.8%	4.6%

Dividend has reduced slightly in the light of lower profitability but reduced debt and “slow fuse” capex allow a higher payout ratio

		FY2009 cents	FY2010 cents	FY2011 cents	FY2012 cents	% Δ
NPAT excl non-trading	cps	12.1	20.5	25.6	18.8	(27)
Total dividend	dps	7.0	12.5	17.0	16.0*	(6)

* Fully imputed at 30%



Non-trading items up on prior year because of impact of earthquake and Pizza Hut store sales

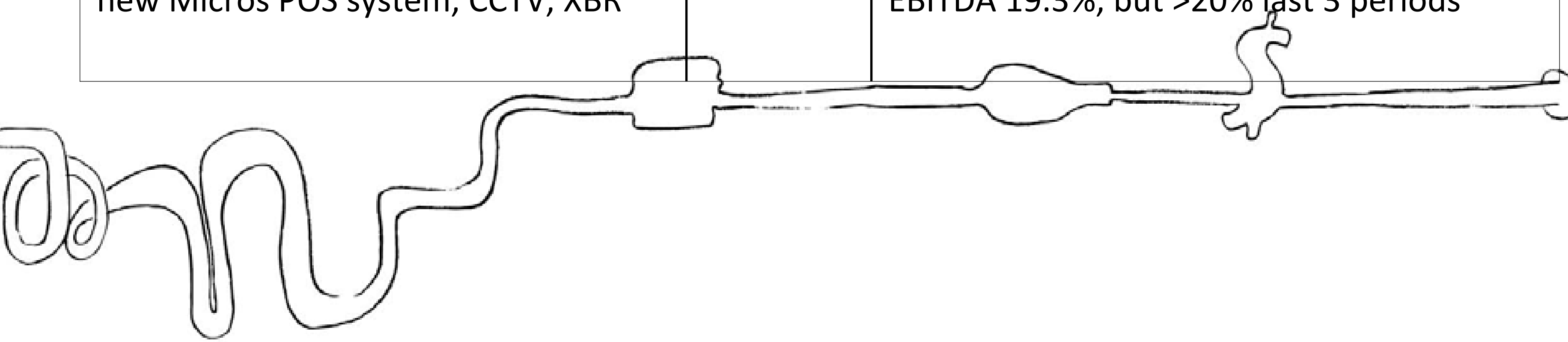
Non-trading ($m)	FY2011	FY2012
Pizza Hut store sales net proceeds	(1.1)	(1.3)
Pizza Hut store sales fixed asset disposals	1.1	1.0
Transformation w / offs	0.4	0.1
Pizza Hut goodwill disposals	1.0	1.5
Store closures / relocations	0.8	0.7
Impairment Charges	0.9	0.1
Other	0.1	-
Insurance Proceeds	(1.1)	0.2
Release of Pizza Hut Victoria closure provision	(0.3)	-
TOTAL	1.8	2.3

KFC operations

Sales	**$236.3m**	**+0.2%**
EBITDA	**$45.6m**	**-12.6%**

KFC continued with planned strategies, but outcomes not as positive as hoped

Strategy	Mark	Outcome
Pull back on transformation capex until economic situation resolves (4-5 transformations	✓✓	5 stores refurbished = reduced capex. All performing to expectations
Seek new site opportunities and land bank where necessary	✓	One site acquired – Upper Hutt. One more in the pipeline
Consolidate operations after a big year of new store builds and transformations	✓	Some settling down in operations (CER scores up, wastage down). More required
Bring SSS growth back to positive by 2H with major NPD initiatives	x	Market softness and loss of NPD momentum saw SSS at (1.8)%
Maintain EBITDA margin > 20% despite cost increases with benefits of new Micros POS system, CCTV, XBR	✓	New systems delivering positive outcomes, but not enough to offset cost increases. EBITDA 19.3%, but >20% last 3 periods

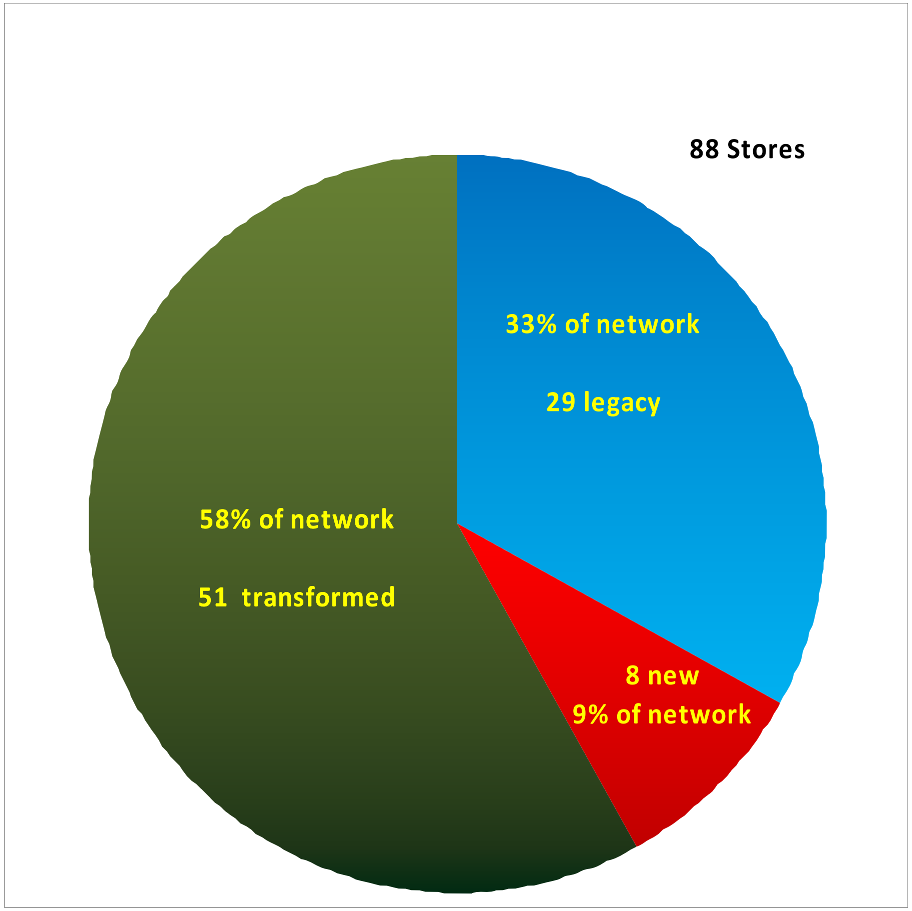


KFC saw a slowing of the momentum of growth but still a strong year

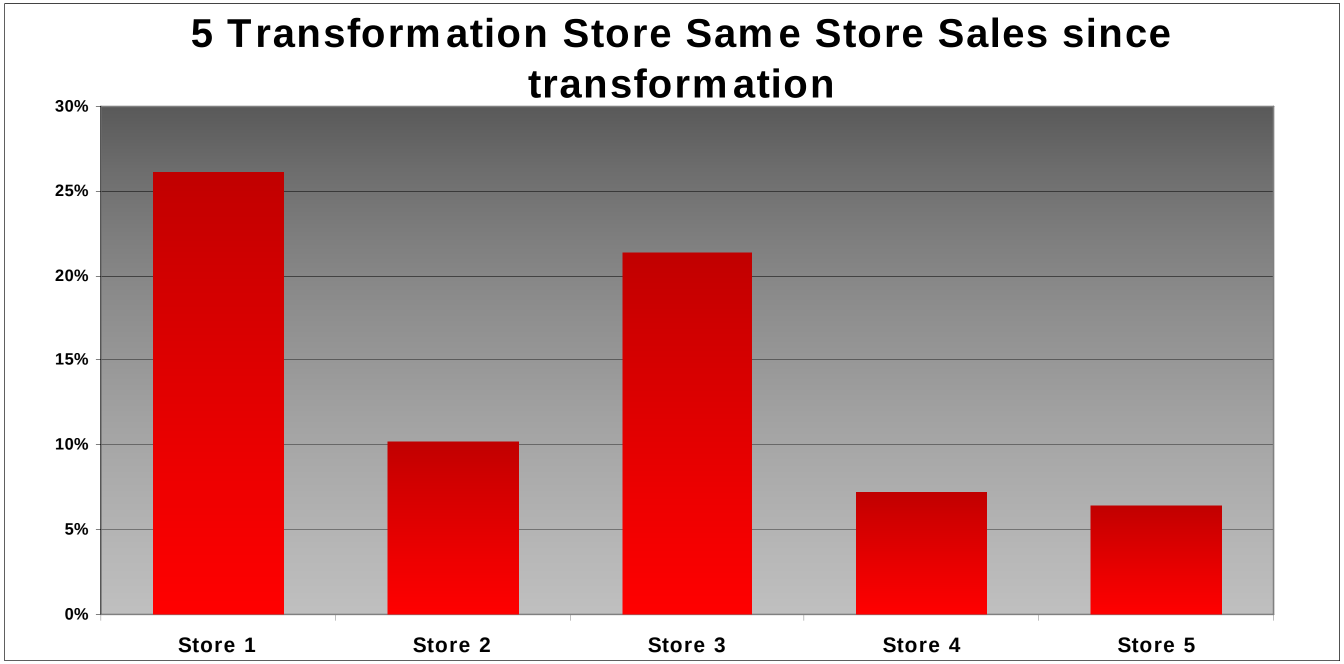
	FY2008	FY2009*	FY2010	FY2011	FY2012
Sales ($m)	199.1	211.5	223.2	235.8	236.3
SSS %	7.7%	4.1%	9.2%	4.4%	(1.8)%
Transformed Stores	9	4	7	9	5
Transformation Capex ($m)	11.2	4.6	11.9	14.9	5.2
EBITDA ($m)	35.9	38.0	46.3	52.1	45.6
EBITDA % Sales	18.0%	18.0%	20.7%	22.1%	19.3%

*53 week year

A quieter year with only five transformations bringing 67% of the network to new standard



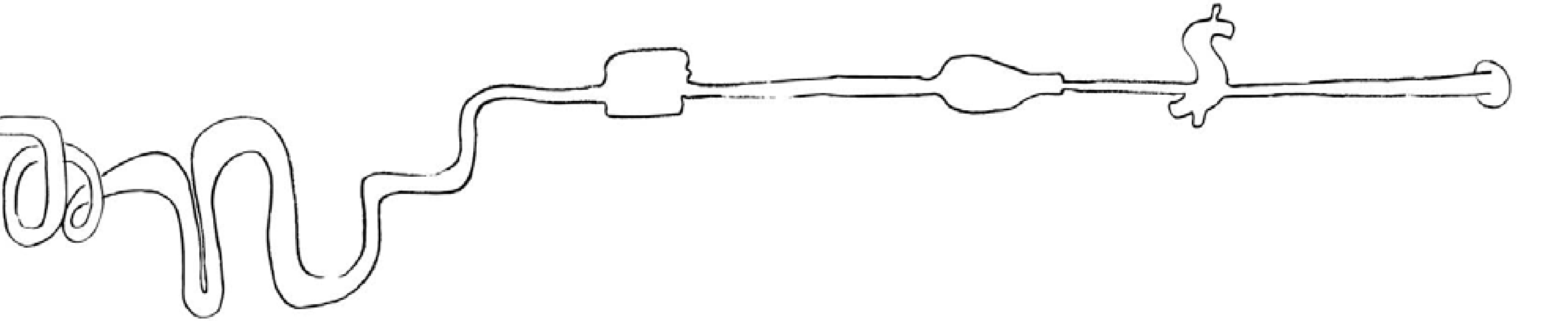
Generally transformed stores continue to perform well after transformation complete



Store 1:	Provincial Standalone Store
Store 2:	Provincial Standalone Store - sales impacted by opening of competitor store soon after transformation
Store 3:	Provincial Standalone Store
Store 4:	Provincial Standalone Store affected by traffic rerouting and tracking negative same store sales but this trend reversed after transformation works with store now posting regular weekly double digit gains
Store 5:	Urban Mall Foodcourt

KFC Strategies for the new year

- Continue focus on returning to positive SSS growth (NPD, social media marketing).
- Return EBITDA margin to >20% through supply chain opportunities, loss prevention and continued operations improvements.
- Introduction of next phase of transformation (Lower Hutt).
- Complete 7 transformations.



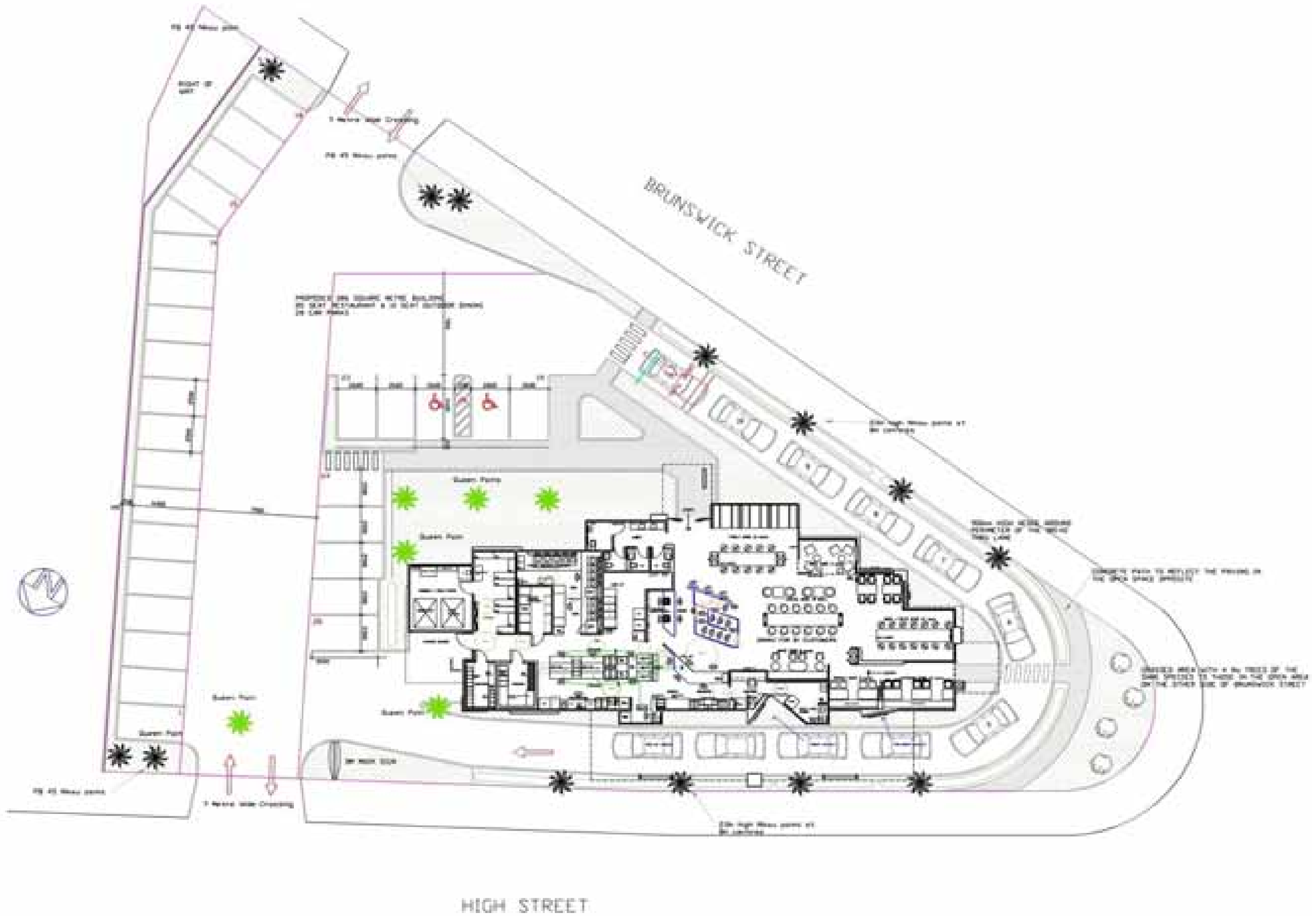
Lower Hutt – a new generation

View from intersection looking towards secondary entry / outdoor dining

Lower Hutt – a new generation

View looking at drive thru lane / outdoor dining on the right

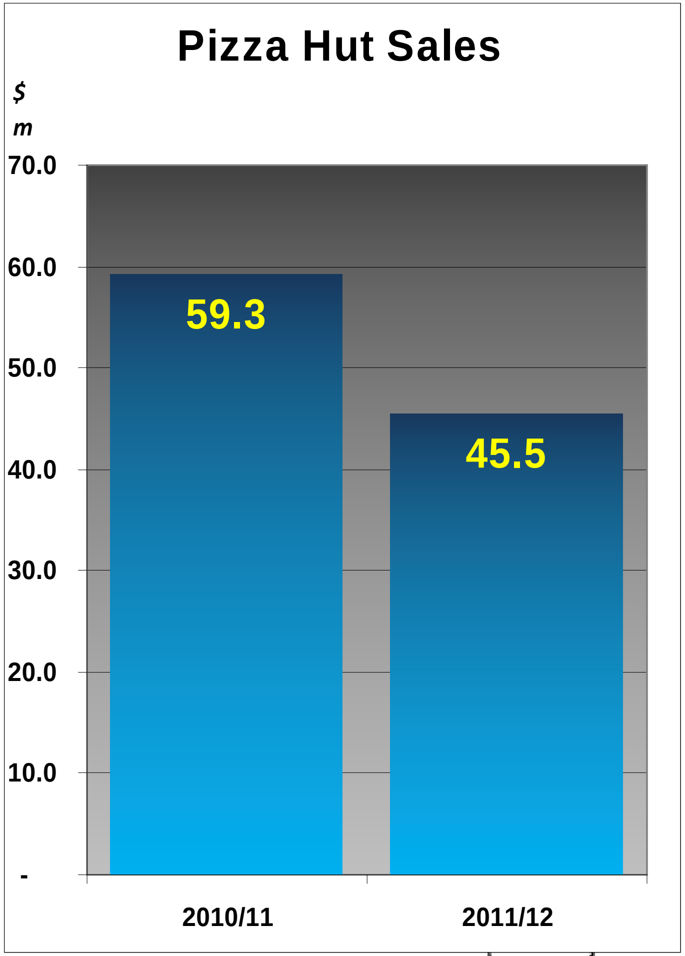
Lower Hutt – a new generation

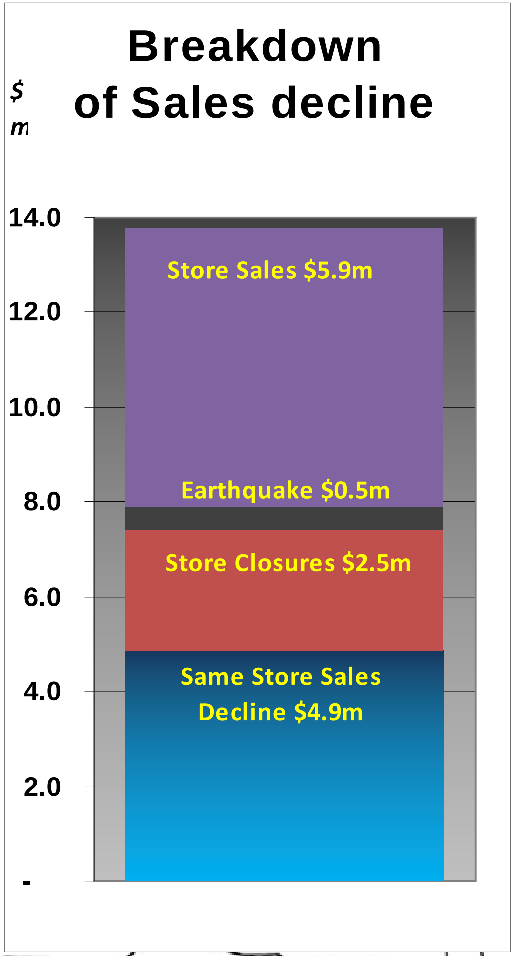


Pizza Hut operations

Sales	$45.5m	-23.3%
EBITDA	$2.1m	-62.8%

Pizza Hut total sales decline caused by several factors

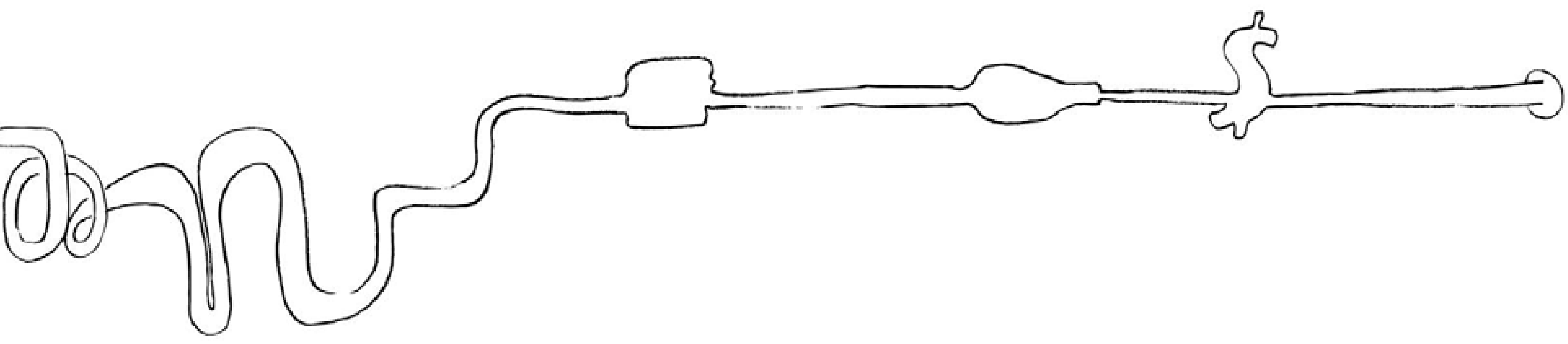




Pizza Hut margin dropped as a result of sales deleverage, higher input costs and competitor activity (value promotions)

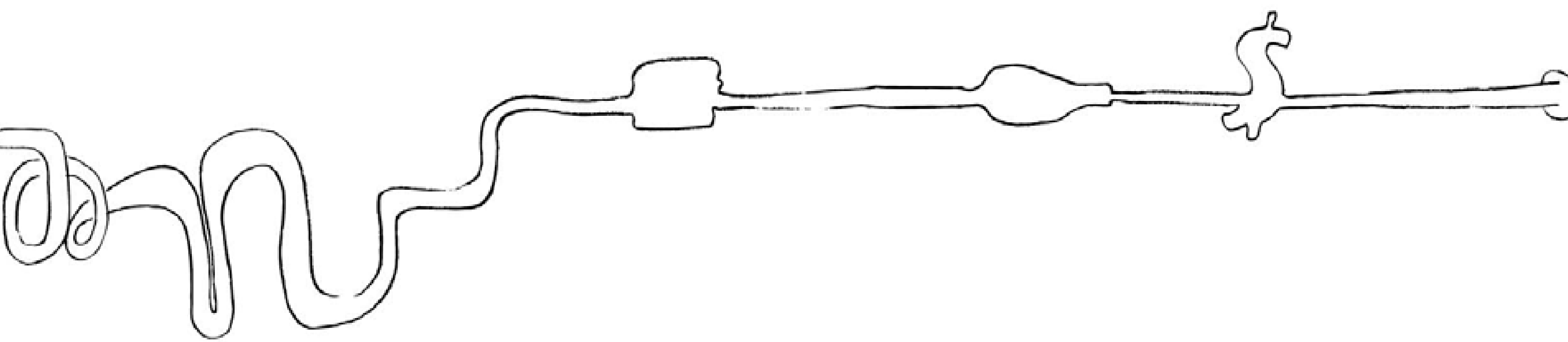
	FY2008	FY2009*	FY2010	FY2011	FY2012
Sales ($m)	71.4	64.6	64.2	59.3	45.5
SSS %	(7.0)%	(6.5)%	3.9%	(3.8)%	(9.7)%
EBITDA ($m)	4.4	2.8	5.4	5.6	2.1
EBITDA % Sales	6.2%	4.3%	8.4%	9.5%	4.6%

*53 week year



Pizza Hut did not deliver on strategies for 2011

Strategy	**Mark**	**Outcome**
Return sales to positive same store growth	**x x**	Disappointing result at (9.7%) although some improvement in Q4
Complete facility rationalization (red roofs, unprofitable delcos)	✓	Three unprofitable delcos closed. Three red roofs remain, of which two are profitable
Continue programme of regional store sales to franchisees (8-10 stores)	✓✓	Eight stores sold to independent franchisees
Continue EBITDA margin build (>10% of sales) with continued operational enhancements and loss prevention activity	**x x**	Sales deleverage, increased input costs and value promotions hit margins hard

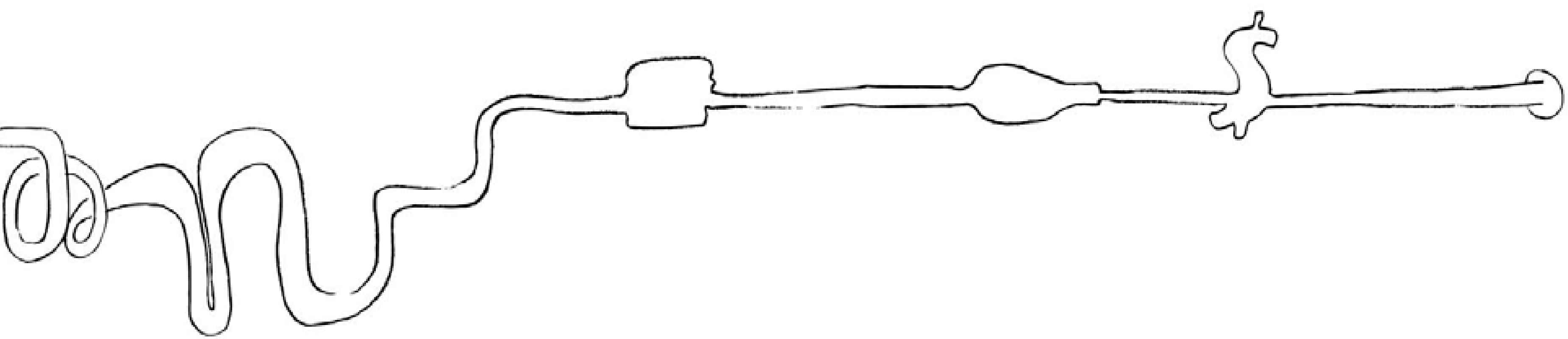


Pizza Hut franchise sales programme gains momentum

- 13 stores now sold (8 this year).
- Average price $186k (above b.v)
- Goodwill writedown $1.5m.
- Focus will move to lower margin stores (but more regionals to come).
- Continuing strong interest (8-10 more targeted this year).

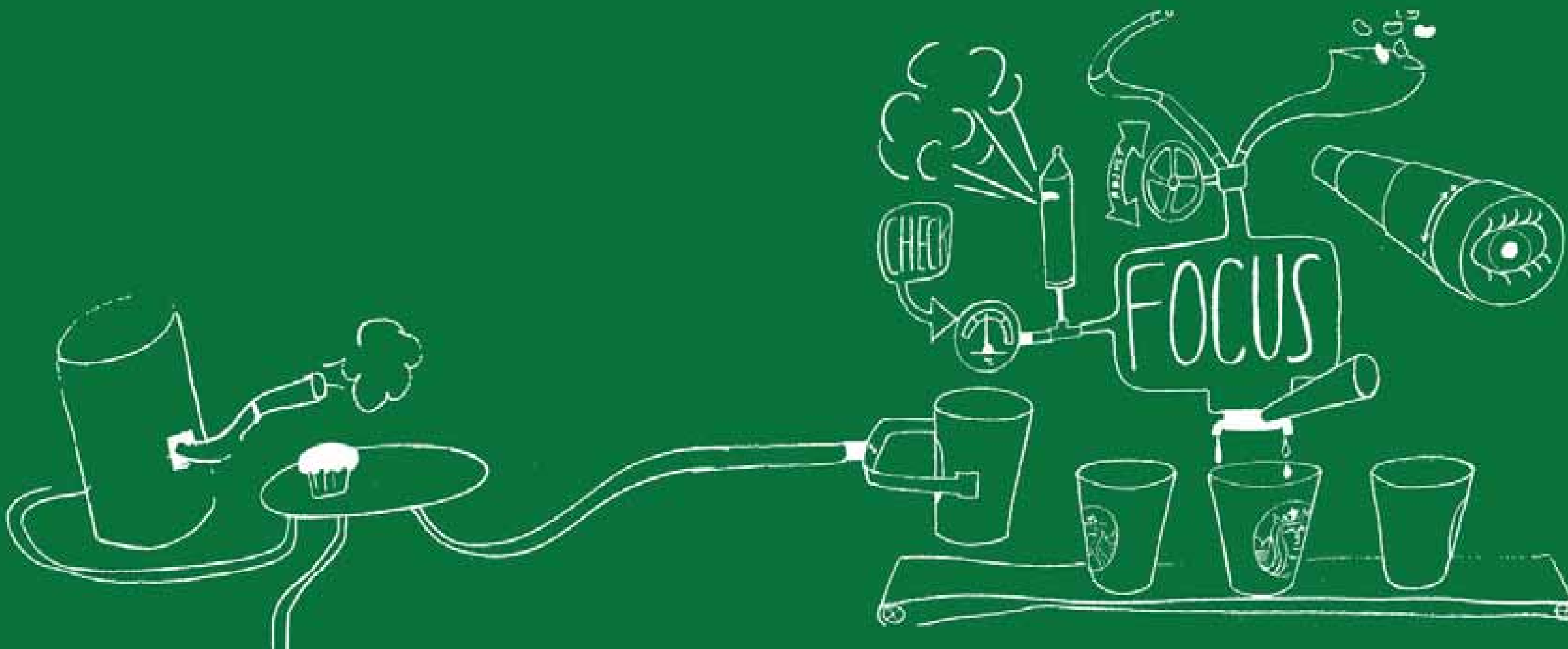
Pizza Hut Strategies for current year

- Drive sales to $12k+ PRA to maintain margin leverage:
  - new website
  - value offers
  - NPD
- Supply Chain and other initiatives to reduce input costs (cheese, freight), call centre.
- Trial PHD opportunity in Hamilton.
- Continued operations focus (waste, loss prevention).
- Continued store sales to independent franchisees (10+ targeted).



Starbucks Coffee operations

Sales	$26.5	-9.8%
EBITDA	$3.7m	-8.8%

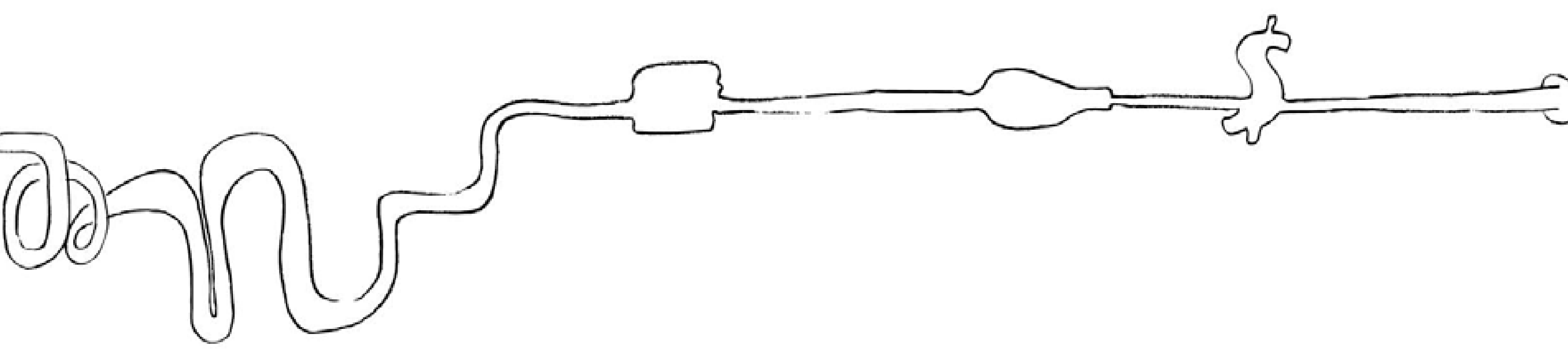


Starbucks Botany

Starbucks Coffee continues to perform well despite earthquakes and competitive market place

	FY2008	FY2009*	FY2010	FY2011	FY2012
Sales ($m)	33	33.0	30.5	29.3	26.5
SSS %	4.0%	3.6%	(2.9)%	0.8%	5.4%
EBITDA ($m)	3.9	2.9	3.2	4.1	3.7
EBITDA % Sales	11.7%	8.9%	10.6%	14.0%	14.2%

*53 week year



Starbucks Coffee strategies are working

Strategy	Mark	Outcome
Maintain positive same store sales growth through consistent customer experience and new food programme	✓✓	SSS 5.4% for year with most stores showing growth
Hold EBITDA margins at 12-14% through improved operations and better sourcing	✓✓	EBITDA margins grow again to new high of 14.2%
Recommence store development (1-2 new stores)	**x**	No new sites this year but some opportunities identified for 2013
Complete refurbishment on a further 2-3 stores	✓	One store refurbished (and showing a good return)

Carl's Jr

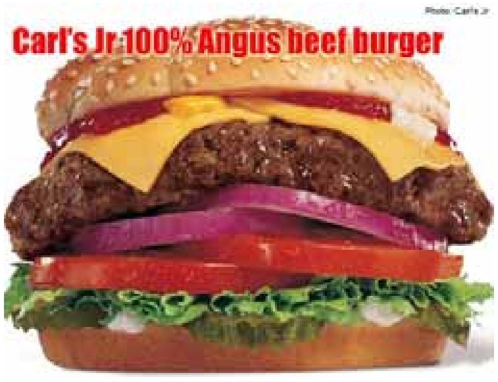
The Carl's Jr franchise will add a new dimension to the Restaurant Brands' offering

- Catering to the significant beef burger market
- Dynamic and exciting brand
- Poised for significant international growth
- Proven operating model in New Zealand

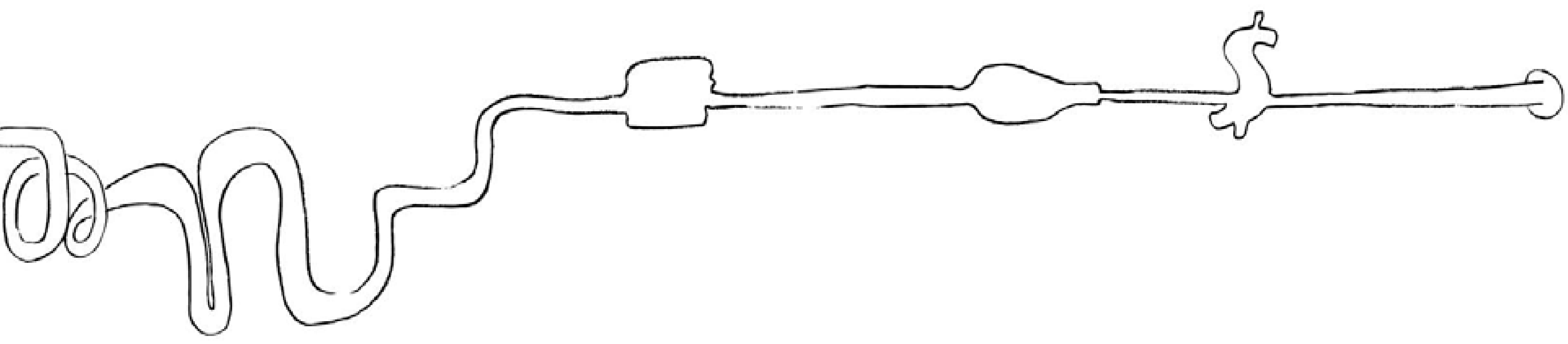
Carl's Jr Terms

- Franchise and development agreements signed with CKE Restaurants Inc in December 2011.
- Development rights for Auckland shared with existing franchisee; exclusively RBD for rest of New Zealand.
- Scoping studies indicate a 50+ store market with $50+ k WPRA.
- Commercial terms no less advantageous than existing franchises.

Carl's Jr – exciting premises and a great eat for "Young Hungry Males"



Key
Objectives



Key management objectives over the next 1-2 years are:

- Return KFC to positive same store sales growth with EBITDA margins >20%.
- Continue KFC transformation process and pilot next generation store.
- Rebuild Pizza Hut margins through reducing input costs and sales leverage.
- Continue reducing exposure to Pizza Hut through store sales to franchisees.
- Maintain current levels of sales and margin for Starbucks Coffee.
- Recommence Starbucks refurbishment and new store development.
- Roll out first 3-4 Carl's Jr stores.

Outlook

Outlook for 2012/13 is tempered by the current economic environment

- KFC – some sales growth, increased margin
- Pizza Hut – lower total sales, but more profitable residual stores
- Starbucks Coffee – similar sales and margins
- Carl's Jr – new stores immediately margin positive

Net Profit After Tax (excluding non-trading) is expected to be at least at current levels