

25 August 2014

Dear Shareholder,

## RESPONSE TO FURTHER CORRESPONDENCE FROM STEPHEN COPULOS

You may have received last week a second letter from Mr Stephen Copulos regarding matters to be voted on at Collins Foods' 2014 Annual General Meeting. It essentially repeats various assertions and views about Collins Foods' Board and Management which he raised in an earlier letter to shareholders. That letter, together with the Company's response, was mailed to shareholders on 8 August 2014.

In his latest letter, Mr Copulos states that, "in my view the company has not addressed any of the key issues and has just 'brushed them off'". He then proceeds to present a range of statements which in many cases are misleading, and in virtually all cases represent no more than his personal opinion. Contrary to his claims, all of the issues Mr Copulos has raised have been addressed in depth by your Board.

Mr Copulos appears to be unable to accept that after appropriate Board discussion and consideration, his fellow Directors disagree with him. Disagreement with his views it seems, infers to Mr Copulos that insufficient attention has been given to them. Again, this is not the case.

In addressing the specific issues to which Mr Copulos refers, and in determining the direction of your Company, your Board's single-minded focus remains on growing shareholder returns, and on representing the interests of all shareholders. Aligning the views of your Directors to that focus has delivered increases in earnings, dividends and the share price over the past two and half years.

Earnings growth continues in the current year as reflected in the attached ASX Release dated 18 August 2014.

### With respect to the resolutions to be voted upon at the forthcoming Annual General Meeting:

**All Directors other than Stephen Copulos (with Russell Tate abstaining) continue to recommend Shareholders vote IN FAVOUR of Item 2, being the re-election of Russell Tate as a non-executive Director.**

**All Directors other than Stephen Copulos continue to recommend Shareholders vote IN FAVOUR of Item 3, being the adoption of the Company's Remuneration Report.**

If you wish to discuss or clarify the Company's position on any of the issues raised please contact Kevin Perkins, Managing Director and CEO, on 07 3352 0800.

Yours sincerely,



Russell Tate  
Chairman



Kevin Perkins  
Managing Director and CEO



Bronwyn Morris  
Chairman, Audit and Risk Committee



Newman Manion  
Chairman, Remuneration and Nomination Committee

## ASX RELEASE

### COLLINS FOODS LIMITED – QUARTER 1, FY15 RESULTS FLAG A STRONG START TO THE YEAR

**Monday, 18 August 2014:** Collins Foods Limited (ASX: CKF) today provides an update on its performance over the 12 weeks ended 20 July 2014 (Q1FY15). The summary unaudited financial results include:

- Revenue of \$124.3 million, up 28% on prior corresponding period (pcp)<sup>1</sup>
- EBITDA of \$13.3 million, up 24% on pcp
- EBIT of \$8.5 million, up 28% on pcp
- NPAT of \$4.5 million, up 21% on pcp

Commenting on the Company's quarterly performance, Collins Foods' Managing Director & CEO Kevin Perkins said, "Trading in Collins Foods' KFC restaurants exceeded expectations, achieving 3.0% growth in same store sales across the Company's 169 KFC restaurants. KFC Queensland delivered 2.6% growth in same store sales, while KFC Western Australia / Northern Territory ran well ahead of internal transformation targets generating 4.2% growth in same store sales.

"Sizzler Australia stores' overall earnings continued to lag the prior year across this period. The Board and Management are closely monitoring Sizzler's transformation potential through its "Get Refreshed" initiative. While this program is still in the early stages of implementation, the complete "Get Refreshed" package including facility modernisation in Sizzler Cleveland continues to deliver encouraging early results.

"We are generally pleased with the way overall sales and earnings have trended over the first quarter of the new financial year and the outlook is positive for Collins Foods and the Group's ability to deliver growing shareholder returns."

<sup>1</sup> The prior corresponding period excludes the results of Collins Restaurants West Pty Ltd which was acquired on 7 March, 2014.

ENDS

#### For further information, please contact:

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#### About us

Collins Foods Limited (ASX: CKF) operates 170 KFC and 26 Sizzler company owned restaurants in Australia. In addition, the Company has 61 franchised Sizzler restaurants around Asia. The Company also owns 50% of Snag Stand which has five company owned outlets and one franchised outlet. The Company seeks continuous improvement in all areas of its operations and work towards the following mission: "Establish Collins Foods as a leading restaurant holding company, which operates premier brands where people love to eat and are proud to work." For further information please visit [www.collinsfg.com.au](http://www.collinsfg.com.au).