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NZX/ASX

RESTAURANT BRANDS ANNOUNCES 70 STORE ACQUISITION IN CALIFORNIA

Restaurant Brands New Zealand Limited (RBD) has today entered into an asset purchase agreement with a KFC US franchisee for the purchase of 70 stores in Southern California, USA. The purchase comprises 59 KFC stores and 11 combined KFC and Taco Bell stores, together with a head office facility.

The agreement is subject to the customary conditions for transactions of this nature, including Yum! approval and landlord approval for the assignment of store leases.

Restaurant Brands will be offering continued employment on existing terms to all 1,100 part time and 500 full time staff currently employed by the franchisee.

Russel Creedy, RBD Group CEO said, "This acquisition brings with it some very experienced and committed employees who we welcome to the Restaurant Brands family and we look forward to building the business further with them in what is a market with considerable potential for future growth."

The transaction is for a purchase price of \$US73 million plus capital expenditure reimbursements for recent store refurbishment and customary working capital adjustments. It will be fully debt funded. The company is currently completing a refinancing exercise to, amongst other things, add extra capacity to its borrowing facilities.

The business generates an annual turnover of \$US95 million and a 12 month trailing store EBITDA (pre- G&A) of in excess of \$US12 million.

Russel Creedy added, "This acquisition provides RBD with immediate critical mass and a capable and stable organisation in California from which we can further expand."

Settlement is expected by March 2020.

José Parés, Chairman of RBD said "We are delighted to take the next step in Restaurant Brands' growth strategy. This acquisition provides us with a solid beach head in the US with significant opportunities for further development."

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