



# NEWS



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## Yum! Brands Inc. Announces Third Quarter 2011 EPS Growth of 13%, Excluding Special Items; China Delivers 35% Revenue Growth and Projects Record 600 New Units this Year

**Louisville, KY (October 4, 2011)** — Yum! Brands Inc. (NYSE: YUM) today reported results for the third quarter ended September 3, 2011 including EPS of \$0.83, excluding Special Items. After a Special Items loss of \$0.03, reported EPS was \$0.80. As a result of strong performance in China and other emerging markets, Yum! reconfirms full year EPS growth forecast of at least 12%, excluding special items.

### THIRD-QUARTER HIGHLIGHTS

- Operating profit grew 7% in China and 3% at Yum! Restaurants International (“YRI”), prior to foreign currency translation. Operating profit declined 16% in the U.S.
- Foreign currency translation positively impacted operating profit by \$32 million.
- Worldwide system sales grew 6%, prior to foreign currency translation, including 29% in China and 8% at YRI. System sales in the U.S. declined 3%.
- Strong international development continued with 331 new restaurants opened, including 138 new units in China. We are now expecting to open a record 600 new units in China this year. Additionally, we expect to open 900 new units in YRI.
- Same-store sales grew 19% in China and 3% at YRI, and declined 3% in the U.S.
- Worldwide restaurant margin declined 1.9 percentage points to 17.2%.
- During the quarter, the Company announced a 14% increase in its quarterly dividend.

### Reconfirms Full Year EPS Growth Forecast of at least 12%, Excluding Special Items

	<u>Third Quarter</u>			<u>Year-to-Date</u>		
	<u>2011</u>	<u>2010</u>	<u>% Change</u>	<u>2011</u>	<u>2010</u>	<u>% Change</u>
EPS Excluding Special Items	\$0.83	\$0.73	13%	\$2.12	\$1.90	11%
Special Items Gain/(Loss) <sup>1</sup>	(\$0.03)	\$0.01	NM	(\$0.13)	(\$0.08)	NM
EPS	\$0.80	\$0.74	8%	\$1.99	\$1.82	9%

<sup>1</sup> See Reconciliation of Non-GAAP Measurements to GAAP Results for further detail of the Special Items. Special Items in the third quarter are primarily related to Pizza Hut UK impairment and the planned sale of Long John Silver’s and A&W All-American Restaurants.

Note: All comparisons are versus the same period a year ago and exclude Special Items unless noted.











## **ADDITIONAL INFORMATION ONLINE**

Quarter end dates for each division, restaurant-count details, and definitions of terms including Key Markets are available online at [www.yum.com](http://www.yum.com) under “Investors”.

This announcement, any related announcements and the related webcast may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Our forward-looking statements are subject to risks and uncertainties, which may cause actual results to differ materially from those projected. Factors that can cause our actual results to differ materially include, but are not limited to: food borne-illness or food safety issues; economic and political conditions in the countries where we operate; currency exchange and interest rates; commodity, labor and other operating costs; our ability to secure and maintain distribution and adequate supply to our restaurants; the effectiveness of our operating initiatives and marketing; the success of our strategies for refranchising and international development; the continued viability and success of our franchise and license operators; publicity that may impact our business and/or industry; pending or future legal claims; the impact of any widespread illness; our effective tax rates; our actuarially determined casualty loss estimates; government regulations; accounting policies and practices; and competition, consumer preferences or perceptions. You should consult our filings with the Securities and Exchange Commission (including the information set forth under the captions “Risk Factors” and “Forward-Looking Statements” in our Annual Report on Form 10-K) for additional detail about factors that could affect our financial and other results. Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof. We are not undertaking to update any of these statements.

Yum! Brands, Inc., based in Louisville, Kentucky, is the world’s largest restaurant company in terms of system restaurants with more than 38,000 restaurants in more than 110 countries and territories. The Company is ranked #214 on the Fortune 500 List and generated revenues of more than \$11 billion in 2010. Four of the company’s restaurant brands – KFC, Pizza Hut, Taco Bell and Long John Silver’s – are the global leaders of the chicken, pizza, Mexican-style food and quick-service seafood categories, respectively. A&W Restaurants is the longest running quick-service franchise chain in America. Outside the United States in 2010, the Yum! Brands system opened approximately four new restaurants each day of the year, making it a leader in international retail development.

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