



COLLINS FOODS LIMITED

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COLLINS FOODS LIMITED UPDATE

Collins Foods Limited (ASX: CKF) (**Company**) is pleased to provide an operational update on its KFC and Sizzler restaurants.

Sales in the Company's KFC restaurants were particularly strong during November and December but have tapered off in January and early February. Same store sales growth for the third quarter was 1.7%. This compares favourably to the 1.3% same store sales growth achieved over the first half of the 2014 financial year.

Sizzler's performance continues to be subdued, with same store sales declining by 9.6% over the Summer period, roughly in line with the performance over the first half of this financial year. A number of new promotional activities were launched including the "Great Australian Summer" which has had a positive impact. However, trading remains challenging as the Company continues to transition and realign the focus of the Sizzler chain.

Commenting on the year to date performance and outlook for the business, Managing Director & Chief Executive Officer Kevin Perkins said, "We continue to extract margin improvement through a range of operational and efficiency initiatives that we have introduced in our KFC and Sizzler restaurants. Our poultry contracts for the next 12 months have been re-negotiated at prices that are broadly in line with the current year. Overall, we expect to deliver a full year result in line with the consensus FY14 earnings estimate of \$17.3 million normalised NPAT."

The Company also advises that the acquisition of Competitive Foods' Western Australian and Northern Territory KFC stores is expected to be completed in early March as landlord approvals for lease assignments are finalised.

"We look forward to integrating the Competitive Foods' West Australian and Northern Territory KFC restaurants into our portfolio, and leveraging the growth opportunities that this acquisition represents," added Mr Perkins.

ENDS

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About us

Collins Foods Limited (ASX: CKF) operates 125 KFC and 26 Sizzler company owned restaurants in Australia. In addition, the Company has 60 franchised Sizzler restaurants around Asia. The Company also owns 50% of Snag Stand which has 4 company owned and 1 franchise 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

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