



NEWS



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**Yum! Brands Reports Third-Quarter EPS Growth of 19%, Excluding Special Items;
Strong Sales and Operating Profit Performance Across All Divisions;
Raises Full-Year 2012 EPS Growth Forecast to at least 13%**

Louisville, KY (October 9, 2012) - Yum! Brands Inc. (NYSE: YUM) today reported results for the third quarter ended September 8, 2012 including EPS of \$0.99, excluding Special Items. Reported EPS for the quarter was \$1.00. Yum! raises full-year EPS growth forecast to at least 13%, or at least \$3.24, excluding Special Items.

THIRD-QUARTER HIGHLIGHTS

- Worldwide operating profit grew 18%, prior to foreign currency translation, including 22% in China, 14% at Yum! Restaurants International (YRI) and 13% in the U.S. Worldwide operating profit increased 16%, after foreign currency translation.
- Worldwide restaurant margin increased 1.9 percentage points to 18.9%, including increases of 0.1 percentage points in China, 1.0 percentage point at YRI and 4.6 percentage points in the U.S. Restaurant margin increased 0.6 percentage points in China excluding Little Sheep.
- Worldwide system sales grew 6%, prior to foreign currency translation, including 22% in China, 4% at YRI and 1% in the U.S.
 - Worldwide system sales growth was 8%, excluding the acquisition of Little Sheep and the 2011 divestiture of Long John Silver's and A&W All-American Restaurants, including 19% in China, 5% at YRI and 6% in the U.S.
- Same-store sales grew 6% in China, 2% at YRI and 6% in the U.S. YRI same-store sales were negatively impacted by 1 percentage point due to the timing of Ramadan.
- Strong international development continued with 394 new restaurants opened, including 192 new units in China and 181 new units at YRI; 86% of this development occurred in emerging markets.
- On September 20, 2012, the Company announced an 18% increase in its quarterly dividend, marking the eighth consecutive year the dividend increased at a double-digit percentage rate.

Full-year EPS growth forecast raised to at least 13%, or at least \$3.24, excluding Special Items.

	<u>Third Quarter</u>			<u>Year-to-Date</u>		
	<u>2012</u>	<u>2011</u>	<u>% Change</u>	<u>2012</u>	<u>2011</u>	<u>% Change</u>
EPS Excluding Special Items	\$0.99	\$0.83	19%	\$2.42	\$2.12	14%
Special Items Gain/(Loss) ¹	\$0.01	\$(0.03)	NM	\$0.23	\$(0.13)	NM
EPS	\$1.00	\$0.80	25%	\$2.65	\$1.99	33%

¹ See Reconciliation of Non-GAAP Measurements to GAAP Results for further detail of the Special Items. Special Items for 2012 are primarily related to the Little Sheep acquisition gain and net U.S. franchising gains, partially offset by Pizza Hut UK impairment.

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

CONFERENCE CALL

Yum! Brands Inc. will host a conference call to review the company's financial performance and strategies at 9:15 a.m. Eastern Time Wednesday, October 10, 2012. The number is 877/815-2029 for U.S. callers and 706/645-9271 for international callers.

The call will be available for playback beginning at noon Eastern Time Wednesday, October 10, through midnight Wednesday, October 24, 2012. To access the playback, dial 855/859-2056 in the United States and 404/537-3406 internationally. The playback pass code is 34802629.

The webcast and the playback can be accessed via the internet by visiting Yum! Brands' Web site, www.yum.com/investors and selecting "Q3 2012 Earnings Conference Call" under "Investment Events." A podcast will be available within 24 hours.

ADDITIONAL INFORMATION ONLINE

Quarter end dates for each division, restaurant-count details, and definitions of terms are available online at 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 over 38,000 restaurants in more than 120 countries and territories. Yum! is ranked #213 on the Fortune 500 List with revenues of more than \$12 billion in 2011. The Company's restaurant brands - KFC, Pizza Hut and Taco Bell - are the global leaders of the chicken, pizza and Mexican-style food categories. Outside the United States, the Yum! Brands system opened approximately four new restaurants each day of the year, making it a leader in international retail development.

Analysts are invited to contact

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