Telepizza Group, S.A. ("**Telepizza** " or the "**Company**"), in compliance with the provisions of Article 17 of Regulation (EU) No 596/2014 on market abuse and Article 226 of the consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015, of October 23, by means of this notice communicates the following:

RELEVANT INFORMATION

Reference is made to the report issued by the Board of Directors of the Company on the takeover bid (the "**Takeover Bid**") made by Tasty Bidco, S.L. (the "**Offeror**") over all the shares representing the share capital of Telepizza, released on 9 April 2019 as a Relevant Event (*Hecho Relevante*) on the website of the CNMV (www.cnmv.es) with registration number 276963.

As indicated in the aforementioned report, the Company's management team has provided the collaboration required by the Offeror and its advisors in connection with a potential offering, subject to market conditions, of senior secured notes in an aggregate principal amount of approximately €335.0 million.

In accordance with the information provided by the Offeror, the potential offering would be placed among qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and outside the United States in reliance on Regulation S under the Securities Act, would have a tenor of 7 years (which terms are subject to change) and customary high-yield debt covenants. The notes are expected to be listed on the Luxembourg Stock Exchange.

As described in the Takeover Bid prospectus, the proceeds of the offering will be used, among others, to refinance the existing indebtedness of Telepizza and its subsidiaries and to partially finance the payment of an extraordinary dividend to all shareholders and, in the event that the new financing is obtained prior to the settlement of the Takeover Bid, the debt will be contracted by a subsidiary of the Offeror's group that, after the settlement of the Takeover Bid, will be part of the Telepizza Group.

In the context of the process of preparation of the potential notes offering, Telepizza has collaborated in the preparation of different sections of the corresponding offering memorandum and, in particular, of the section "*management's discussion and analysis of financial condition and results*" as of and for the years ended December 31, 2016, 2017 and 2018, which is disclosed to the market by way of attachment to this communication.

Madrid, 10 April 2019

Mr. Javier Gaspar Pardo de Andrade

Secretary of the Board of Directors

Cautionary Notice Regarding Forward Looking Statements

This communication contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements." A number of risks and uncertainties could cause our actual results to differ materially from current projections, forecasts, estimates and expectations relating to us. Any or all of these forward-looking statements may not prove to be accurate. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors, many of which are beyond our control.

Disclaimer

This communication shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any states or jurisdictions in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in Australia, Canada, Japan, or the United States of America or in any jurisdiction to whom or in which such offer or solicitation is unlawful. Subject to certain exceptions, the securities referred to herein may not be offered or sold in Australia, Canada, Japan or the United States of America or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan or the United States of America. The offer and sale of the securities referred to herein has not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or the United States of America. There will be no public offer of the securities in any jurisdiction.

OPERATING AND FINANCIAL REVIEW

The following operating and financial review should be read in conjunction with our previously-disclosed financial statements.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in these forward-looking statements as a result of various factors.

In the discussion below, we analyze our results of operations both on a consolidated basis and by segment.

Segmental Reporting

Historically and for the 2016, 2017 and 2018 financial years, we reported our results of operations according to the following segments:

- Spain;
- Rest of Europe;
- Latin America; and
- Master Franchise and Rest of the World .

Following the Yum! Alliance, we may revise our reporting segments. In the event we decide to report our results of operations according to different segments from the ones listed above, the results of our annual consolidated accounts as at and for the year ended December 31, 2019 and December 31, 2018 (as restated to reflect these new segments), will not be comparable to the consolidated annual accounts for previous years.

Key Factors Affecting Our Results of Operations and Financial Condition

Factors affecting our results of operations include the following:

Yum! Alliance

On December 30, 2018, our strategic alliance with Yum! Brands took effect, and we became the exclusive master franchisee of, and authorized supplier to, Pizza Hut stores in Iberia, Switzerland and much of Latin America. As a result of the Yum! Alliance and as of December 31, 2018, we increased the number of stores in our network, from 1,620 Telepizza stores to 2,631 Telepizza and Pizza Hut stores. In addition, as most of the Pizza Hut stores that were added to our network are franchised stores, our franchised store network as a percentage of total stores increased from 76% to 84% as of December 31, 2018. As a result of the overall increase in the number of stores in our network, we expect our revenue and our results of operations will increase in the next few years.

In the future, as a result of our strategic alliance, we may also change the segmental presentation of our results of operations.

Unless the context requires otherwise, references in this operating and financial review do not give effect to the Yum! Alliance.

Store Network

In order to maintain our market share and attract new customers we seek to (i) ensure that our existing stores are modern and attractive and (ii) expand our network through the opening of new own and franchised stores in existing and new markets, and master franchised stores in existing markets. As of December 31, 2018, our Telepizza network included a total of 1,620 stores, of which 76.2% were franchised stores and 23.8% were own stores.

Our network is comprised of own stores and franchise stores, and as we expand, we constantly seek to maintain an optimal distribution between our own and franchise holdings to maximize our revenues. As part of our strategy, we intend to have no less than 10% of own stores in our network.

Our own stores require capital expenditure in order to maintain customer traffic. From our own stores, we realize the full contribution of their revenues to our EBITDA and the associated capital expenditures vary according to the size of the store and the nature of the refurbishment. In 2018, we spent €0.6 million on the refurbishment of own stores in our Spain segment, €0.2 million on the refurbishment of own stores in our Rest of Europe segment and €0.7 million on the refurbishment of own stores in our Latin America segment. However, in 2018, capital expenditures for refurbishments decreased as we deferred a number of refurbishments in anticipation of the Yum! Alliance. In addition, as part of our general strategy and in connection with the Yum! Alliance, we expect to undertake capital expenditures during the next three years to open new stores and convert Telepizza stores to Pizza Hut stores, particularly in Latin America, as well as to invest in our dough factories. See "—*Capital Expenditures*." In order to sustain further growth and expand our market share, we plan to continue our store opening strategy, encompassing a selective expansion of our footprint in Spain and internationally through own stores and franchises in new and existing markets or master franchise agreements in existing markets.

Unlike own stores, franchise stores do not typically require our upfront investment in capital expenditures. The franchisee covers the costs of the franchise and pays for opening capital expenditures and ongoing maintenance capital expenditures, while paying us a fee for the use of the brand and marketing spend based on a percentage of revenues of the franchisee. In addition, franchisees are required (subject to limited local exceptions) to source their supplies from our supply chain, which provides us with additional revenue and EBITDA streams. Franchisees also pay us other fees including, among others, transfer fees, franchise fees and income from other services that we provide to our franchisees, such as IT or payroll services.

The comparability of our results of operations from one period to the next are affected by our opening and closing of stores, both own and franchised, and the related capital expenditures incurred with the expansion of our network. In 2018, we closed 39 own stores and opened 90 franchised and master franchised stores.

Financial Profile of Our Franchise Network

Our results of operations are affected by the overall financial health of our franchisees and their stores, as franchised and master franchised stores accounted for 76.2% of our global network by number of stores as of December 31, 2018. We receive revenues from franchisees in the form of royalties and marketing contributions calculated as a percentage of franchise store revenues, as well as revenues in the form of factory sales to franchisees. Other income includes (i) the fees receivable from franchisees when we transfer own stores to franchisees, known as the store transfer fee, (ii) franchise and master franchise fees, which are receivable upon the opening of a new franchised or master franchised store, the granting of a master franchise agreement, or the renewal of an existing franchise agreement and (iii) income from other services that we provide to our franchisees and master franchisees, such as IT, payroll, store conversion and other services we provide to franchisees and receivable rental income. As a result, our performance depends significantly on the level of sales and profitability of our franchises. If a franchisee faces financial difficulties it could result in, among other things, (i) decreasing revenues from franchises and advertising contributions for us, (ii) delayed payments to us of royalties and/or franchise fees and (iii) closure of franchised stores, which could jeopardize the payment of store transfer fees that are payable over a specific term. In situations where certain franchisees in our network have found themselves in financially strained situations, we have sometimes permitted an increase in the relevant collection days.

As we adjust our store ratio in favor of franchises through the transfer of own stores to franchised stores, we increase franchise-related revenues. At the same time, certain costs associated with our own stores that do not exist for our franchise stores decrease as a result of the transfer of own stores to franchised stores.

In addition, if a franchised store continues to underperform, we may buy back such stores and convert them to own stores or refurbish them, and we may decide to later transfer them to a new franchisee. In connection with the Yum! Alliance, in 2018, we increased our store buyback activity as part of our plan to convert our Telepizza stores to Pizza Hut stores. The buyback of stores results in an increase in our revenues, as we consolidate all sales from our own stores in our revenue, while we only consolidate revenues received from franchises in respect of royalties and marketing fees paid by franchisees along with revenue received from factory sales and other services we provide to franchisees.

We have modified our franchise network by closing and transferring a number of stores (the majority for reasons of underperformance or relocation) including 19, 15 and 46 closures (excluding master franchises) in 2016, 2017 and 2018, respectively, and 40, 53 and 27 net transfers of own stores to franchised stores in 2016, 2017 and 2018, respectively. In addition, in 2016, 2017, and 2018, we bought back 26, 14 and 37 stores, respectively. We have also taken a more pro-active approach to risk management by closely monitoring the financial profile of our franchisees to rapidly address any weakness.

The comparability of our results of operations from one period to the next are affected by the change in composition of our franchise network, including through the transfer of own stores to our franchisees or buybacks of stores from franchisees.

Effects of Fluctuations in the Prices of Raw Materials

Fluctuations in the prices of cheese and dough components or any other raw materials in the markets in which we operate, significantly affect our operating profit. Of our gross purchases of raw materials in Spain, cheese represented approximately 32%, meat-based products represented approximately 21%, packaging represented approximately 7%, dough ingredients represented approximately 5% and sauces represented approximately 4% in 2018. While these percentages may vary slightly in other countries due to market prices and consumer preferences, the product mix remains consistently stable over time.

Our cheese and dough component prices are generally set by market conditions, which are outside of our control. In 2014, we entered into the long-term Ornua Supply Agreement for cheese components according to which pricing is re-evaluated quarterly based on market conditions and we are subject to an agreed minimum purchase amount. We have 15 suppliers of cheese globally (2 in Europe and 13 in Latin America). Ornua is our main supplier in Spain and Portugal, representing 32% and 31% of the supply in 2018, respectively, supplying us from multiple facilities across the globe. For dough components, we have supply contracts with various suppliers in the different countries in which we operate. In the case of meat-based products, Tello Food Group is our main supplier in Spain, representing 6% of the supply, Industrias Cárnicas Tello is our global supplier for Europe, the Middle East and Africa ("EMEA"), and Europa Cuisson is our main supplier of chicken in Spain and Portugal, representing 5% and 2% of the supply, respectively. In addition, we have back-up suppliers for cheese, meat and dough components, as well as for our other raw materials in the event our primary suppliers cannot deliver the components in the contracted amounts or to our specifications or in the event our needs exceed our supply requirements. In these instances, we may choose to buy from our back-up suppliers rather than our primary suppliers. The market prices of cheese and dough components have fluctuated in the past, and we believe that they will continue to do so. Many factors affect the price fluctuations of commodities and these factors may significantly affect our profitability and their timing can affect the comparability of our interim results of operations.

Significant increases in the prices of our products may increase our total revenue and our results of operations if we are able to maintain our operating margins and provided that such price increases do not reduce the sales volumes of our products. Conversely, significant decreases in the prices of our products may reduce our total revenues and our results of operations if we are unable to increase our operating margins and such reduced prices do not result in higher sales volumes of our products.

Marketing and Advertising Programs' Effectiveness

In the markets in which we operate, marketing and advertising programs are a key traffic driver and enable us not only to attract new customers to our brand but also to retain existing customers. On an annual basis, in order to reinforce our brand awareness, enhance our image and create traffic, we spend approximately 4% of our chain sales in Spain on multimedia advertising campaigns at the local and national level. Marketing campaigns are the primary means by which we advertise our product innovation and price promotion. Through local advertising and promotion campaigns, we leverage our store locations as another medium of communication with our customers.

Our franchisees worldwide are required to pay to us a certain percentage of their revenues as a contribution (which we record within "Royalties") to our advertising and marketing campaigns which are executed centrally. Our franchisees are also required to allocate a certain percentage of their revenue towards direct marketing initiatives. We monitor closely the marketing spends and frequency of our competitors' marketing and advertising campaigns and endeavor to maintain a relatively constant investment in our marketing initiatives in order to maintain strong brand awareness in the market.

Effects of Foreign Exchange Variations on Our Results of Operations

Our results of operations and financial condition have been, and will continue to be, affected by changes in the value of the euro (our functional currency) against the U.S. dollar, Chilean peso, Colombian peso, Peruvian sol or Polish zloty, because a portion of our revenues and costs is linked to these currencies.

When the euro depreciates against other currencies, our revenue and profits from operations that use those functional currencies will be higher when translated into euros. Conversely, when the euro appreciates against these currencies our revenue and profits from operations that use those currencies will be lower. In addition to the direct impact of foreign exchange variation on revenue and profit, in certain jurisdictions in which we operate outside the eurozone, costs incurred are denominated in euros. This indirectly impacts profits in local currency, and such impact may not be neutral once the local profits are converted back into euros, due to fluctuations in the applicable exchange rate. For example, the Chilean peso to euro exchange rate increased from $732.61 to €1.00 on average in 2017 to $757.25 to €1.00 on average in 2018. This evolution resulted in decreased revenues and profits when amounts recorded in Chilean pesos were translated into euros. Furthermore, if such a trend were to continue, given that part of the Ornua Supply Agreement requires that we pay Ornua in euros to serve as our supplier worldwide, the price of cheese would be more expensive each year for our stores in Chile, assuming a constant euro price of cheese. We currently do not hedge our foreign exchange risk.

As of December 31, 2018, had the euro weakened by 10% against the Chilean peso, the Colombian peso and the Polish zloty, with the other variables remaining constant, consolidated post-tax profit would have been €0.1 million higher in 2018 (€0.1 million higher in 2017), mainly as a result of translating trade receivables, debt instruments classified as available-for-sale financial assets and payables to Group companies that are eliminated on consolidation. The translation differences recognized under other comprehensive income would have increased by €4.3 million in 2018 (and €7.0 million in 2017), mainly due to translation differences on foreign operations.

Trends in the Consumption of Pizza and Competition in the QSR Industry

Sales and margins in the quick service restaurant ("QSR") and pizza delivery industries are affected by, among others, general consumption trends, the relative success of new or existing products and competition within the QSR and pizza delivery industries.

The focus of our product offering is pizza. The general consumption of pizza is affected by trends in the foodservice sector, private consumption evolution, major economic events and, in some cases, weather conditions. These fluctuations in pizza consumption in the different markets where we operate may affect our results of operations.

We emphasize product innovation, with the frequent introduction of new pizza offerings, and the consumer reaction to new product launches can affect our sales. For example, on September 27, 2016, we launched our "Barbacoa Gourmet" pizza, which represented on the last two days of that month 11.7% of our chain sales and 13.7% of our chain sales in October in Spain. This pizza was the first in our new "Gourmet" premium pizza category. We have continued developing this premium line over the past two years, which has positively affected our sales and brand. As of February 2019, our Gourmet pizzas generated an average ticket price 36% higher than the rest of our pizzas offered in Spain.

In addition, in recent years customers have increasingly used our digital platform to access our products. In 2016, 2017, and 2018, digital sales accounted for 20.7%, 23.0% and 25.1% of our chain sales in the countries where we have digital sales (Spain, Portugal, Poland, Chile, Columbia, Peru and Ecuador). We expect the volume of digital sales to increase as we continue to enhance and personalize our digital platform. Our capital expenditure on digital and information technology has increased in recent years, from €3.8 million in 2016, to €4.3 million in 2017 and €5.2 million in 2018.

Our sales and margins are also affected by our performance as compared to our competitors in the QSR and pizza delivery sectors. Our successful performance is dependent on a variety of factors, including the comparative attractiveness and taste of our products, perceived product and service quality and the availability of comparable products from our competitors. The pricing of our products, and in particular, the timing and terms of specially-priced offers to customers, can have a significant impact on both the volume of our sales and our margins, as well as our market share against competitors. While we seek to compete on the basis of the quality of our products, the pricing strategies of our competitors have in the past had an effect on our results of operations.

General Economic Conditions and Demand for Our Products

Our results of operations are affected by global economic conditions as well as local economic conditions in the markets and geographic areas in which we operate. Such conditions include general employment rates, commodity inflation, disposable income, private consumption, the availability of consumer credit, consumer confidence, applicable VAT taxes, and consumer willingness to spend. In an unfavorable economic environment with a decrease in disposable income, our customers may reduce the frequency with which they dine out or order-in or may choose more inexpensive dining options. Positive economic conditions, in contrast, tend to increase consumer demand for our products. Changes in general economic conditions therefore affect customer traffic and our ability to pass through cost increases to customers.

We expect that an important part of our operations will continue to be located in Europe and Latin America, and accordingly we are significantly affected by economic conditions in those regions, particularly Spain, Portugal and Chile. Our sales and margins have been, and will continue to be, affected by the rate of GDP growth, consumer confidence and in particular changes in employment rates in the country.

Factors Affecting Comparability of Our Financial Statements

Restatement of 2017 Financial Statements

In the audited consolidated annual accounts of Telepizza Group, S.A. (the "Financial Statements") as of and for the year ended December 31, 2018, we restated the 2017 comparative column in our consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows to make the financial information set forth therein comparable with our 2018 consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows, respectively. The purpose of the restatement was to (i) give effect to the reclassification our operations in Poland and the Czech Republic as discontinued and (ii) reflect the definitive accounting of the 2017 acquisition of the Apache chains in Ireland. As a result, the 2017 Financial Statements are not comparable to the 2016 Financial Statements, which do not reflect such discontinued operations.

IFRS 16

The International Accounting Standards Board issued IFRS 16 ("Leases") in January 2016, which became effective from January 1, 2019. IFRS 16 introduces a single accounting model for lessees that principally obligates lessees to account for right-of-use assets and lease liabilities for lease contracts with a term of more than twelve months. The significant impact of IFRS 16 is the elimination of the classification according to IAS 17 (Leases) of lease contracts as operating leases and finance leases. As a result, leases, which were shown off-balance sheet according to IAS 17, are now recognized as a right-of-use asset and lease liability on the statement of financial position. We have applied IFRS 16 for the first time for the period beginning January 1, 2019. To this end, in our 2018 Financial Statements we disclosed a process for the implementation of IFRS 16 that enabled us to quantify the estimated impact of IFRS 16 in our 2018 consolidated annual accounts. Because we carry out our activity by leasing a large number of stores and, to a lesser extent, offices, factories and warehouses, for periods in excess of one year, the application of IFRS 16 in 2019 is expected to result in the recognition of rights-of-use assets (*activos por derechos de uso*) amounting to approximately €87.0 million, a net investment in subleases (*inversion neta en subarriendos*) totaling approximately €61.0 million, lease liabilities (*pasivos por arrendamientos de contratos*) of approximately €160.0 million and a loss (*resultado negativo*) of €7.0 million for the difference between the rights-of-use assets and the net investments in subleases. As a result of the implementation of IFRS 16, the results of our annual consolidated accounts for the year ended December 31, 2019 (and any interim reporting going forward), will not be comparable to the consolidated annual accounts (or any interim reporting) for previous years. For additional information on the effects of the first-time application of IFRS 16, see note 1 to our 2018 Financial Statements.

Components of Our Historical Results of Operations

Revenues

Our revenues are derived from four sources:

- *Own outlet sales*: Revenue from sales at our own stores.

- *Factory sales to franchisees*: Revenue from our wholesale production facility sales of products and supplies to franchisees and master franchisees. It includes sales of all ingredients and products except for beverages, salads and ice creams which are supplied directly from the suppliers to the franchisees and master franchisees. These sales can be affected by the discounts that we extend to our franchisees.

- *Royalties*: Revenue from royalties and marketing franchise fees, which are paid to us by franchisees and master franchisees based on a percentage of franchise store sales.

- *Other income*: Consists of (i) the fee payable to us by franchisees when we transfer own stores to franchisees, known as the store transfer fee, (ii) franchise and master franchise fees, which are paid upon the opening of a new franchised or master franchised store, the granting of a master franchise agreement, or the renewal of an existing franchise agreement and (iii) income from other services that we provide to our franchisees and master franchisees, such as IT, payroll and other services we provide to franchisees and sublease income.

Merchandise and Raw Materials Used (Consumo de Mercaderías y Materias Primas)

Merchandise and raw materials (*consumo de mercaderías y materias primas*) used includes the direct costs and expenses associated with food, beverage and packaging of our menu items at our own stores, as well as merchandise and materials that we sell to our franchises, such as pizza dough. Prices for merchandise and raw materials are variable in nature. Such prices change with sales volume, are affected by our product mix and are subject to fluctuations in commodity costs and the rebates obtained from our suppliers.

Personnel Expenses (Gastos por Retribuciones a los Empleados)

Personnel expenses (*gastos por retribuciones a los empleados*) includes the costs and expenses related to the maintenance and proper functioning of our work force, including the payment of salaries and wages, social security, termination benefits and other employee benefits for employees of our own stores. In 2018, our personnel expenses (*gastos por retribuciones a los empleados*) were 30.5% of our total expenses comprised of merchandise and raw materials used (*consumos de mercaderías y materias primas*), personnel expenses (*gastos por retribuciones a los empleados*) and other expenses (*otros gastos*), excluding depreciation and amortization (*gastos por amortización*).

Amortization and Depreciation (Gastos por Amortización)

Amortization and depreciation (*gastos por amortización*) primarily consists of the depreciation of property, plant and equipment and amortization of intangible assets. In 2006, we acquired the “Telepizza” trademark through a business combination. When allocating a purchase price to the shares of Telepizza, owner of the trademark (*marca*), this brand name was measured at its fair value of €247.0 million. We also recognized in this business combination the rights arising from the franchise contracts (*contratos de franquicia*) at their fair value of €133.0 million. For each of 2016, 2017 and 2018, amortization and depreciation (*gastos por amortización*) has included €5.8 million, €5.7 million and €4.5 million in amortization (*gastos por amortización*) in connection with this purchase price allocation to contractual and other rights (*derechos contractuales y otros*).

Other Expenses (Otros Gastos)

Other expenses (*otros gastos*) consists of expenses related to our operating leases, transporting of our materials and products, our advertising and marketing initiatives, utilities and other expenses.

Impairment of Non-Current Assets (Deterioros de activos no corrientes)

Impairment of non-current assets (*deterioros de activos no corrientes*) consists of the recognition or reversal of an impairment for the difference between the fair value and the recorded cost of property, plant and equipment, goodwill and other intangible assets.

Other Losses (Otras Pérdidas)

Other losses (*otras pérdidas*) consists of losses incurred in connection with sales of property, plants and equipment, the losses related to goodwill and the reversals on such losses.

Finance Income (Ingresos Financieros)

Finance income (*ingresos financieros*) consists of the income gained through financing or hedging instruments as well as exchange rate gains.

Finance Costs (Gastos Financieros)

Finance costs (*gastos financieros*) consists of the costs, interest and other charges involved in financing or hedging instruments as well as exchange rate losses.

Income Tax Income/(Expense) (Ingresos (Gastos) por Impuestos Sobre las Ganancias)

Income tax income/(expense) (*Ingresos (gastos) por impuestos sobre las ganancias*) consists of both current and deferred tax. Current tax is the amount of the income tax payable or recoverable in respect of the pre-tax profit/loss for the period. Deferred tax liabilities are the amounts payable in future periods while deferred tax assets are the amount recoverable in future periods.

Historical Results of Operations

The following table below summarizes our financial performance for the periods indicated:

	For the year ended December 31,		
(in € millions)	**2016**	**2017[(1)]**	**2018**
Revenues (*Ingresos*)	**339.6**	**342.4**	**340.3**
Merchandise and raw materials used (*Consumo de mercaderías y materias primas*)	(88.6)	(93.3)	(97.5)
Personnel expenses (*Gastos por retribuciones a los empleados*)	(118.6)	(90.8)	(94.9)
Amortization and depreciation (*Gastos por amortización*)	(17.4)	(18.3)	(16.5)
Other expenses (*Otros gastos*)	(100.7)	(93.1)	(118.6)
Impairment of non-current assets (*Deterioros de activos no corrientes*)	——	1.9	(7.5)
Other losses (*Otras pérdidas*)	—	(1.6)	(1.1)
Operating profit (*Beneficio de explotación*)	**14.3**	**47.2**	**4.2**
Finance income (*Ingresos financieros*)	3.7	0.8	1.2
Finance costs (*Gastos financieros*)	(25.5)	(10.4)	(8.4)
Other losses (*Otras pérdidas*)	(0.7)	—	—
Profit/(loss) before tax from continuing operations (*Beneficio/(pérdida) antes de impuestos de actividades continuadas*)	(8.2)	37.6	(3.0)
Income tax income/(expense) (*Ingresos (gastos) por impuestos sobre las ganancias*)	18.9	(6.4)	(2.5)
Profit/(loss) for the year from continuing operations (*Beneficio/(pérdida) del ejercicio de actividades continuadas*)	10.7	31.2	(5.5)
Post-tax profit/(loss) on discontinued operations (*Beneficio/(pérdida) después de impuestos de las actividades interrumpidas*)	(0.0)	0.5	(4.1)
Profit/(loss) for the year (*Beneficio/(pérdida) del ejercicio*)	**10.7**	**31.7**	**(9.6)**

(1) Restated figures.

Year Ended December 31, 2018 Compared with Year Ended December 31, 2017

The following table sets forth consolidated financial information for the years ended December 31, 2017 and 2018. The financial information presented in the 2017 column below was extracted from the restated 2017 comparable column in our 2018 financial statements, which were restated to give effect to the reclassification of our operations in Poland and the Czech Republic as discontinued and to reflect the definitive accounting of the 2017 acquisition of the Apáche chains in Ireland.

(in € millions)	For the year ended December 31, 2017[(1)]	2018	% Change
Revenues (*Ingresos*)	**342.4**	**340.3**	**0.6%**
Merchandise and raw materials used (*Consumo de mercaderías y materias primas*)	**(93.3)**	**(97.5)**	**4.5%**
Personnel expenses (*Gastos por retribuciones a los empleados*)	(90.8)	(94.9)	4.5%
Amortization and depreciation (*Gastos por amortización*)	(18.3)	(16.5)	(9.8)%
Other expenses (*Otros gastos*)	(93.1)	(118.6)	27.4%
Impairment of non-current assets (*Deterioros de activos no corrientes*).	1.9	(7.5)	(494.7)%
Other losses (*Otras pérdidas*)	(1.6)	(1.1)	(31.3)%
Operating profit (*Beneficio de explotación*)	**47.2**	**4.2**	**(91.1)%**
Finance income (*Ingresos financieros*)	0.8	1.2	50.0%
Finance costs (*Gastos financieros*)	(10.4)	(8.4)	(19.2)%
Profit/(loss) before tax from continuing operations (*Beneficio/(pérdida) antes de impuestos de actividades continuadas*)	37.6	(3.0)	(108.0)%
Income tax income/(expense) (*Ingresos/(gastos) por impuestos sobre las ganancias*)	(6.4)	(2.5)	(60.9)%
Profit/(loss) for the year from continuing operations (*Beneficio/(pérdida) del ejercicio de actividades continuadas*)	31.2	(5.5)	(117.6)%
Post-tax profit/(loss) on discontinued operations (*Beneficio/(pérdida) después de impuestos de las actividades interrumpidas*)	0.5	(4.1)	(920)%
Profit/(loss) for the year (*Beneficio/(pérdida) del ejercicio*)	**31.7**	**(9.6)**	**(130.3)%**

(1) Restated figures.

Revenues (*Ingresos*)

Our revenues (*ingresos*) slightly decreased by €2.1 million, or 0.6%, to €340.3 million in 2018 from €342.4 million in 2017 (as restated) primarily as a result of the factors discussed below.

Own Outlet Sales *(Venta en tiendas al público)*

Own outlet sales *(Venta en tiendas al público)* decreased by €21.7 million, or 11.8%, to €162.8 million in 2018 from €184.6 million in 2017 (as restated), primarily as a result of a decrease in the number of own stores from 441 own stores (*tiendas propias*) in 2017 to 386 own stores (*tiendas propias*) in 2018.

Factory Sales to Franchisees *(Venta de fábricas al por mayor a franquiciados y otros)*

Factory sales to franchisees *(Venta de fábricas al por mayor a franquiciados y otros)* increased by €14.0 million, or 13.6%, to €117.2 million in 2018 from €103.2 million in 2017 (as restated), primarily as a result of a net addition of 68 stores to our franchised stores network, which resulted in increased activity in this segment.

Royalties (*Royalty*)

Royalties (*Royalty*) increased by €7.2 million, or 25.4%, to €35.5 million in 2018 from €28.3 million in 2017 (as restated), primarily as a result of a net addition of 68 stores to our franchised stores network, which resulted in increased activity in this segment.

Other Revenues

Other revenues (comprised of revenue from franchising activity (*ingresos por la actividad franquiciadora*), other services rendered to franchises (*otros servicios a franquiciados*), revenue from initial franchise fees (*ingresos de cánones*) and sublease income (*ingresos por subarriendo*) decreased by €1.5 million, or 5.7%, to €24.8 million in 2018 from €26.3 million in 2017 (as restated), primarily as a result of a decrease in revenue from initial franchise fees, due to a decrease in the number of own stores transferred to franchised stores as well as a decrease in the transfer fee charged during 2018.

Merchandise and Raw Materials Used (*Consumo de Mercaderías y Materias Primas*)

Merchandise and raw materials (*Consumo de mercaderías y materias primas*) used increased by €4.2 million, or 4.5%, to €97.5 million in 2018 from €93.3 million in 2017 (as restated), primarily resulting from the increase in the price of raw materials, particularly the price of cheese in Spain, as well as increased chain sales resulting in an increase in supply sales and consequently the amount of merchandise and raw materials used.

Personnel Expenses (*Gastos por Retribuciones a los Empleados*)

Personnel expenses (*Gastos por retribuciones a los empleados*) increased by €4.1 million, or 4.5%, to €94.9 million in 2018 from €90.8 million in 2017 (as restated), primarily as a result of increase in remunerations in connection with a €5.0 million incentive fee expense in connection with the consummation of the Yum! Alliance.

Amortization and Depreciation (*Gastos por Amortización*)

Consolidated amortization and depreciation (*Gastos por amortización*) decreased by €1.8 million, or 9.8%, to €16.5 million in 2018 from €18.3 million in 2017 (as restated), primarily due to the fact that the contractual rights acquired in connection with the acquisition of the shares of Telepizza in 2006 became fully amortized in 2017.

Other Expenses (*Otros gastos*)

Details of other expenses are as follows:

	For the year ended December 31,		
(in € millions)	**2017[(1)]**	**2018**	**% Change**
Operating leases (*Arrendamientos operativos*)	30.0	31.3	4.3%
Transport (*Transportes*)	13.8	15.8	14.5%
Advertising and publicity (*Publicidad y propaganda*)	17.1	17.8	4.1%
Utilities (*Suministros*)	11.0	10.6	(3.6)%
Other expenses (*Otros gastos*)	21.2	43.1	103.3%
Total Other Expenses (*Otros gastos*)	**93.1**	**118.6**	**27.4%**

(1) Restated figures.

Other expenses (*Otros gastos*) increased by €25.5 million, or 27.4%, to €118.6 million in 2018 from €93.1 million in 2017 (as restated), primarily as a result of €12.1 million in expenses incurred in connection with the negotiation and signing of the Yum! Alliance agreement. In addition, other expenses increased due to the provision in 2018 for onerous lease agreements and relate to stores that can be subleased but for which the income from such subleases will be lower than the rent paid.

Impairment of Non-Current Assets (Deterioros de activos no corrientes)

Impairment of non-current assets (*deterioros de activos no corrientes*) increased by €9.4 million, to an impairment loss of €7.5 million in 2018 from a reversal of impairment of €1.9 million in 2017 (as restated). This was primarily due to a €5.8 million impairment (*deterioro*) of the Jeno's Pizza brand, which was recognized in connection with our obligation under the Yum! Alliance agreement to convert all of our outlets in Colombia to the Pizza Hut brand within a maximum period of five years. Under the Yum! Alliance agreement, the useful life of the Jeno's Pizza brand was changed from indefinite to an estimated three years.

Operating Profit (Beneficio de Explotación)

Our operating profit (*Beneficio de explotación*) decreased by 91.1% to €4.2 million in 2018 from €47.2 million in 2017 (as restated). As a percentage of revenues (*ingresos*), our operating profit (*beneficio de explotación*) decreased to 1.2% in 2018 from 13.8% in 2017. This was primarily due to a combination of a one-time cost of €20.7 million for the closing of the Yum! Alliance and other transaction related non-cash adjustments of €12.9 million primarily resulting from closing the Yum! Alliance in December 2018. Excluding the effect of these one-off costs, our operating profit (*beneficio de explotación*) would have decreased by €9.4 million, or 19.9%, to €37.8 million in 2018 from €47.2 million in 2017. Furthermore, the operating profit (*beneficio de explotación*) as a percentage of revenues (*ingresos*) would have decreased to 11.1% in 2018 from 13.8% in 2017.

Finance Income (*Ingresos Financieros*)

Our finance income (*Ingresos financieros*) increased by €0.4 million, or 50.0%, to €1.2 million in 2018 from €0.8 million in 2017 (as restated), primarily due to more favorable currency exchange rates.

Finance Costs (*Gastos Financieros*)

Finance costs (*Gastos financieros*) decreased by €2.0 million, or 19.2%, to €8.4 million in 2018 from €10.4 million in 2017 (as restated), primarily due to better exchange rates and a decrease in the interest rate of our existing senior debt facilities.

Other Losses (*Otras Pérdidas*)

Our other losses (*Otras pérdidas*) decreased by €0.5 million, or 31.3%, to €1.1 million in 2018 from €1.6 million in 2017 (as restated), primarily due to the losses on the sale of property, plant and equipment in 2017.

Income Tax Income/(Expense) (*Ingresos/(Gastos) por Impuestos Sobre las Ganancias*)

Our income tax expense (*Gastos por impuestos sobre las ganancias*) decreased by €3.9 million, or 60.9%, to €2.5 million in 2018 from an income tax expense (*gastos por impuestos sobre las ganancias*) of €6.4 million in 2017 (as restated), primarily due to €10.8 million of deferred tax assets capitalized (*reconocimiento de impuestos diferidos*) in 2018 as compared to €3.3 million of deferred tax assets capitalized in 2017.

Post-Tax Loss on Discontinued Operations (*Beneficio/(pérdida) después de Impuestos de las Actividades Interrumpidas*)

Our post-tax loss on discontinued operations (*Pérdida después de impuestos de las actividades interrumpidas*) increased by €4.6 million, to a loss of €4.1 million in 2018 from a profit of €0.5 million in 2017 (as restated) primarily due to increased losses in the businesses in Poland and Czech Republic considered as discontinued operations in both years.

Profit/(Loss) for the Year (*Beneficio/(pérdida) del Ejercicio*)

Profit for the year (*Beneficio del ejercicio*) decreased to a loss of €9.6 million, in 2018 from a profit of €31.7 million in 2017 (as restated) primarily due to transaction related costs arising from the Yum! Alliance.

Year Ended December 31, 2017 Compared with Year Ended December 31, 2016

The following table sets forth consolidated financial information for the years ended December 31, 2016 and 2017. The financial information presented in the 2017 column below was extracted from the restated 2017 comparable column in our 2018 financial statements, which were restated to give effect to the reclassification of our operations in Poland and the Czech Republic as discontinued and to reflect the definitive accounting of the 2017 acquisition of the Apáche chains in Ireland. The financial information presented in the 2016 column below has been extracted from our 2016 Financial Statements and does not give effect to the reclassification of such discontinued operations. Consequently, the 2017 restated financial information presented below is not comparable to the 2016 Financial Information.

	For the year ended December 31,		
(in € millions)	**2016**	**2017[1]**	**% Change**
Revenues (*Ingresos*)	**339.6**	**342.4**	**0.8%**
Merchandise and raw materials used (*Consumo de mercaderías y materias primas*)	(88.6)	**(93.3)**	5.3%
Personnel expenses (*Gastos por retribuciones a los empleados*)	(118.6)	(90.8)	(23.4)%
Amortization and depreciation (*Gastos por amortización*)	(17.4)	(18.3)	5.2%
Other expenses (*Otros gastos*)	(100.7)	(93.1)	(7.5)%
Impairment of non-current assets (*Deterioros de activos no corrientes*)	——	1.9	—
Other losses (*Otras pérdidas*)	—	(1.6)	—
Operating profit (*Beneficio de explotación*)	**14.3**	**47.2**	**230.1%**
Finance income (*Ingresos financieros*)	3.7	0.8	(78.4)%
Finance costs (*Gastos financieros*)	(25.5)	(10.4)	(59.2)%
Other losses (*Otras pérdidas*)	(0.7)	—	(100.0)%
Profit/(loss) before tax from continuing operations (*Beneficio/(pérdida) antes de impuestos de actividades continuadas*)	(8.2)	37.6	(558.5)%
Income tax income/(expense) (*Ingresos (gastos) por impuestos sobre las ganancias*)	18.9	(6.4)	(133.9)%
Profit/(loss) for the year from continuing operations (*Beneficio/(pérdida) del ejercicio de actividades continuadas*)	10.7	31.2	191.6%
Post-tax profit/(loss) on discontinued operations (*Beneficio/(pérdida) después de impuestos de las actividades interrumpidas*)	(0.0)	0.5	—%
Profit/(loss) for the year (*Beneficio/(pérdida) del ejercicio*)	**10.7**	**31.7**	**196.3%**

(1) Restated figures.

Revenues (*Ingresos*)

Revenues (*Ingresos*) increased by €2.8 million, or 0.8%, to €342.4 million in 2017 (as restated) from €339.6 million in 2016 as a result of the factors below.

<u>Own Outlet Sales *(Venta en tiendas al público)*</u>

Own outlet sales *(Venta en tiendas al público)* decreased by €11.3 million, or 5.8%, to €184.6 million in 2017 (as restated) from €195.9 million in 2016, primarily as a result of our store network optimization provision, whereby we reduced our number of own stores (*tiendas propias*) from 454 in 2016 to 441 in 2017, and increased our franchised stores from 935 in 2016 to 1,166 in 2017.

<u>Factory Sales to Franchisees *(Venta de fábricas al por mayor a franquiciados y otros)*</u>

Factory sales to franchisees *(Venta de fábricas al por mayor a franquiciados y otros)* increased by €5.2 million, or 5.3%, to €103.2 million in 2017 (as restated) from €98.0 million in 2016, primarily as a result of a net addition of 231 stores to our franchised stores network, which resulted in increased sales to franchises.

Royalties (*Royalties*)

Royalties (*Royalties*) increased by €3.5 million, or 14.1%, to €28.3 million in 2017 (as restated) from €24.8 million in 2016, primarily as a result of a net addition of 231 stores to our franchised stores network, which resulted in increased invoicing to franchises.

Other Revenues

Other revenues (comprised of revenue from franchising activity (*ingresos por la actividad franquiciadora*), other services rendered to franchises (*otros servicios a franquiciados*), revenue from initial franchise fees (*ingresos de cánones*) and sublease income (*ingresos por subarriendo*)) increased by €5.4 million, or 25.8%, to €26.3 million in 2017 (as restated) from €20.9 million in 2016. This €5.4 million difference is explained by a net addition of 231 stores to our franchised stores network, which resulted in increased invoicing to franchises.

Merchandise and Raw Materials Used (*Consumo de Mercaderías y Materias Primas*)

Merchandise and raw materials (*Consumo de mercaderías y materias primas*) used increased by €4.7 million, or 5.3%, to €93.3 million in 2017 (as restated) from €88.6 million in 2016, primarily resulting from an increase in the cost of raw materials, in particular the cost of cheese during the first half of the year.

Personnel Expenses (*Gastos por Retribuciones a los Empleados*)

Personnel expenses (G*astos por retribuciones a los empleados*) decreased by €27.8 million, or 23.4%, to €90.8 million in 2017 (as restated) from €118.6 million in 2016, primarily as a result of one-off costs incurred in 2016 related to Telepizza's initial public offering.

Amortization and Depreciation (*Gastos por Amortización*)

Consolidated amortization and depreciation (*Gastos por amortización*) increased by €0.9 million, or 5.2%, to €18.3 million in 2017 (as restated) from €17.4 million in 2016, primarily as a result of the amortization and depreciation related to new investments.

Other Expenses (*Otros gastos*)

Details of other expenses are as follows:

	For the year ended December 31,		
(in € millions)	**2016**	**2017(1)**	**% Change**
Operating leases (*Arrendamientos operativos*)................................	29.7	30.0	1.0%
Transport (*Transportes*)...	12.7	13.8	8.7%
Advertising and publicity (*Publicidad y propaganda*)	17.2	17.1	(0.6)%
Utilities (*Suministros*)..	11.5	11.0	(4.3)%
Other expenses (*Otros gastos*)...	29.6	21.2	(28.4)%
Total Other Expenses (*Otros gastos*)	**100.7**	**93.1**	**(7.5)%**

(1) Restated figures.

Other expenses (*Otros gastos*) decreased by €7.6 million, or 7.5%, to €93.1 million in 2017 (as restated) from €100.7 million in 2016, primarily as a result of the increase in our activities referred to above.

Impairment of Non-Current Assets (Deterioros de activos no corrientes)

A gain of €1.9 million in 2017 (as restated) for a net reversal of impairment of non-current assets (*deterioros de activos no corrientes*) was recognized as compared to €0 in 2016. This was primarily due to a reversal of impairment recorded on property, plant and equipment of €2.1 million related to significant additions made to technical installations and machinery, mainly reflecting the investments related to new outlets opened, the purchase of franchised outlets, and improvements to existing outlets and to plant and equipment. This was partially off-set by an impairment of €0.2 million recorded on goodwill.

Other Losses (*Otras Pérdidas*)

Our other losses (*Otras pérdidas*) increased by €0.9 million, or 128.5%, to €1.6 million in 2017 (as restated) from €0.7 million in 2016, primarily due to losses on the sale of property, plant and equipment in 2017.

Operating Profit (*Beneficio de Explotación*)

As a result of the foregoing, our operating profit (*beneficio de explotación*) increased by €32.9 million to €47.2 million in 2017 (as restated) from €14.3 million in 2016. As a percentage of our revenues (*ingresos*), our operating profit (*beneficio de explotación*) increased to 13.8% in 2017 from 4.2% in 2016.

In 2017, one-off expenses of €0.7 million were incurred in connection with the negotiation of the Yum! Alliance and in 2016, transaction related expenses of €32.0 million were incurred in connection with Telepizza's initial public offering. Excluding the effect of these one-off costs, our operating profit (*beneficio de explotación*) would have increased by €1.6 million, or 3.5%, to €47.9 million in 2017 from €46.3 million in 2016. Furthermore, the operating profit (*beneficio de explotación*) as a percentage of revenues (*ingresos*) would have increased to 14.0% in 2017 from 13.6% in 2016.

Finance Income (*Ingresos Financieros*)

Our finance income (*ingresos financieros*) decreased by €2.9 million, or 78.4%, to €0.8 million in 2017 (as restated) from €3.7 million in 2016, primarily due to the debt reduction through Telepizza's initial public offering in 2016 and the resulting financing structure.

Finance Costs (*Gastos Financieros*)

Finance costs (*Gastos financieros*) decreased by €15.1 million, or 59.2%, to €10.4 million in 2017 (as restated) from €25.5 million in 2016, primarily due to the debt reduction through Telepizza's initial public offering in 2016 and the resulting financing structure.

Income Tax Income/(Expense) (*Ingresos (Gastos) por Impuestos Sobre las Ganancias*)

Our income tax expense (*Ingresos (gastos) por impuestos sobre las ganancias*) increased by €25.3 million, to an expense of €6.4 million in 2017 (as restated) from an income of €18.9 million in 2016, primarily due to a taxable profit incurred in 2017 as compared to a taxable loss incurred in 2016 and €3.3 million of deferred taxes capitalized (*reconocimiento de impuestos diferidos*) in 2017 as compared to €20.4 million of deferred taxes capitalized in 2016.

Post-Tax Loss on Discontinued Operations (*Beneficio/(pérdida) después de Impuestos de las Actividades Interrumpidas*)

Our post-tax loss on discontinued operations (*Beneficio/(pérdida) después de impuestos de las actividades interrumpidas*) increased by €0.5 million to €0.5 million in 2017 (as restated) from €0 in 2016, primarily due to the recognition of discontinued operations in 2017.

Profit/(Loss) for the Year (*Beneficio/(pérdida) del Ejercicio*)

Profit for the year (*Beneficio del ejercicio*) increased by €21.0 million, to a profit of €31.7 million, in 2017 (as restated) from a profit of €10.7 million in 2016 primarily due to one-off costs related to Telepizza's public offering incurred in 2016.

Results and Other Information by Segment

The following tables show the results of operations by each of our segments for the years ended December 31, 2016, 2017 and 2018.

(in € millions)	Spain (*España*)	Rest of Europe (*Resto Europa*)	Latin America (*Latino-América*)	Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*)	Eliminations (*Eliminaciones*)	Total (*Total*)
	2018					
Own outlet sales (*Ventas tiendas propias*)	76.7	36.2	49.8	0.1	—	162.8
Factory sales to franchisees (*Ventas fábrica a franquiciados*)	92.8	10.6	13.2	0.6	—	117.2
Royalties (*Royalties*)	26.8	5.0	3.7	0.0	—	35.5
Other revenue(1)	16.2	0.9	7.7	0.0	—	24.8
To other segments (*A otros segmentos*)	34.5	—	—	—	(34.5)	—
Total Revenues (*Total ingresos ordinarios*)	**247.0**	**52.7**	**74.4**	**0.7**	**(34.5)**	**340.3**
Amortization and depreciation (*Amortizaciones*)	(11.4)	(1.2)	(3.9)	(0.0)	—	(16.5)
Impairment of non-current assets (*Deterioro de activos no corrientes*)	(4.9)	—	(2.5)	—	—	(7.4)
Other net gains/(losses) (*Otras pérdidas netas*)	(0.3)	0.1	(0.7)	(0.1)	—	(1.0)
Operating profit/(loss) (*Beneficio de explotación*)	10.5	5.6	(11.7)	(0.1)	—	4.2
Net finance income/(cost) (*Ingresos financieros neto*)	(5.8)	0.1	(1.5)	(0.0)	—	(7.2)
Income tax (*Impuesto sobre las ganancias*)	3.7	(7.2)	1.0	(0.0)	—	(2.5)
Profit/(loss) from continuing operations (*Resultado financiero de actividades continuadas*)	**13.8**	**(4.2)**	**(14.8)**	**(0.3)**	**—**	**(5.5)**
Profit/(loss) from discontinued operations (*Resultado de actividades discontinuadas*)	(0.2)	(3.9)	—	—	—	(4.1)
Non-controlling interests (*Intereses de minoritarios*)	—	0.8	(0.1)	—	—	0.7
Profit/(loss) attributable to the Parent (*Resultado atribuido a la sociedad dominante*)	**13.6**	**(8.9)**	**(14.7)**	**(0.3)**	**—**	**(10.3)**
Segment assets (*Activos del segmento*)	**906.9**	**40.3**	**26.7**	**0.3**	**——**	**974.2**
Assets from discontinued operations or held for sale (*Activos de operaciones discontinuadas o mantenidas para la venta*)	0.0	14.8	0.0	0.1	——	15.0
Group assets (*Activos del grupo*)	**912.8**	**49.0**	**27.0**	**0.4**	**——**	**989.2**
Segment liabilities (*Pasivos del segmento*)	**20.8**	**62.5**	**18.7**	**0.9**	**——**	**102.9**
Liabilities from discontinued operations or held for sale (*Pasivos de operaciones discontinuadas o mantenidas para la venta*)	——	4.5	0.1	0.1	——	4.7
Unassigned liabilities (*Pasivos sin asignar*)	——	——	——	——	——	881.6
Group liabilities (*Pasivos del grupo*)	**20.8**	**67.0**	**18.8**	**1.0**	**——**	**989.2**
Investments in property, plant and equipment and intangible assets (*Inversiones en inmovilizado material e inmaterial*)	**27.8**	**3.2**	**26.7**	**——**	**——**	**57.7**

(1) Other revenue is comprised of revenue from franchising activity (*ingresos por la actividad franquiciadora*), other services rendered to franchises (*otros servicios a franquiciados*), revenue from initial franchise fees (*ingresos de cánones*) and sublease income (*ingresos por subarriendo*).

(in € millions)	2017[(1)] Spain (*España*)	Rest of Europe (*Resto Europa*)	Latin America (*Latino-América*)	Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*)	Eliminations (*Eliminaciones*)	Total (*Total*)
Own outlet sales (*Ventas tiendas propias*)	99.9	32.5	52.2	—	—	184.6
Factory sales to franchisees (*Ventas fábrica a franquiciados*)	84.1	7.7	10.5	0.9	—	103.2
Royalties (*Royalties*)	23.5	——	3.7	1.1	——	28.3
Other revenue[(2)]	17.2	1.0	8.1	——	—	26.3
To other segments (*A otros segmentos*)	20.1	—	—	—	(20.1)	—
Total Revenues (*Total ingresos ordinarios*)	**244.8**	**41.2**	**74.5**	**2.0**	**(20.1)**	**342.4**
Amortization (*Amortizaciones*)	(13.4)	(1.0)	(3.9)	—	—	(18.3)
Impairment of non-current assets (*Deterioro de activos no corrientes*)	2.8	(0.3)	(0.6)	—	—	1.9
Other net gains/(losses) (*Otras pérdidas netas*)	(1.6)	0.4	(0.4)	—	—	(1.6)
Operating profit/(loss) (*Beneficio de explotación*)	31.8	7.8	6.4	1.2	—	47.1
Net finance income/(cost) (*Resultado financiero*)	(7.6)	(0.1)	(1.9)	0.0	—	(9.6)
Income tax (*Impuestos sobre las ganancias*)	(5.7)	(0.2)	(0.5)	(0.0)	—	(6.3)
Profit/(loss) from continuing operations (*Impuesto de actividades continuadas*)	**20.0**	**7.1**	**2.9**	**1.2**	**—**	**31.2**
Profit/(loss) from discontinued operations (*Resultado de actividades interrumpidas*)	—	0.5	—	—	—	0.5
Non-controlling interests (*Intereses minoritarios*)	—	0.1	—	—	—	0.1
Profit/(loss) attributable to the Parent (*Resultado atribuido a la sociedad dominante*)	**20.0**	**7.7**	**2.9**	**1.2**	**—**	**31.8**
Segment assets (*Activos del segmento*)	**834.3**	**58.4**	**94.0**	**—**	**—**	**986.7**
Assets from discontinued operations or held for sale (*Activos de operaciones discontinuadas o mantenidas para la venta*)	0.1	—	—	—	—	0.1
Group assets (*Activos del grupo*)	**834.4**	**58.4**	**94.0**	**—**	**—**	**986.8**
Segment liabilities (*Pasivos del segmento*)	**50.2**	**14.0**	**7.3**	**—**	**—**	**71.5**
Liabilities from discontinued operations or held for sale (*Pasivos de operaciones discontinuadas o mantenidas para la venta*)	0.1	—	—	—	—	0.1
Unassigned liabilities (*Pasivos sin asignar*)	—	—	—	—		915.3
Group liabilities (*Pasivos del grupo*)	**50.2**	**14.0**	**7.3**	**—**	**—**	**986.8**
Investments in property, plant and equipment and intangible assets (*Inversiones en inmovilizado material e inmaterial*)	**13.8**	**12.0**	**7.4**	**—**	**—**	**33.2**

(1) Restated figures.

(2) Other revenue is comprised of revenue from franchising activity (*ingresos por la actividad franquiciadora*), other services rendered to franchises (*otros servicios a franquiciados*), revenue from initial franchise fees (*ingresos de cánones*) and sublease income (*ingresos por subarriendo*).

	2016					
(in € millions)	**Spain (*España*)**	**Rest of Europe (*Resto Europa*)**	**Latin America (*Latino-América*)**	**Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*)**	**Eliminations (*Eliminaciones*)**	**Total (*Total*)**
Own outlet sales (*Ventas tiendas propias*)	110.5	34.5	50.9	—	—	195.9
Factory sales to franchisees (*Ventas fábrica a franquiciados*)	74.8	14.1	8.9	0.2	—	98.0
Royalties (*Royalty*)	18.7	3.0	2.2	0.9	—	24.8
Other revenue[1]	12.4	1.7	5.3	1.5	—	20.9
To other segments (*A otros segmentos*)	12.3	—	—	—	(12.3)	—
Total Revenue (*Total ingresos de explotación*)	**228.7**	**53.3**	**67.3**	**2.6**	**(12.3)**	**339.6**
Amortization and depreciation (*Amortizaciones*)	(11.9)	(1.4)	(4.1)	—	—	(17.4)
Segment operating profit/(loss) (*Resultado operativo del segmento*)	(1.6)	7.2	6.3	2.4	—	14.3
Net finance income/(cost) (*Resultado financiero*)	(20.5)	(0.4)	(1.0)	—	—	(21.9)
Other gains (*Otras ganancias*)	0.0	0.0	0.2	—	—	0.2
Other losses (*Otras pérdidas*)	(0.4)	(0.1)	(0.4)	—	—	(0.9)
Income tax (*Impuesto sobre las ganancias*)	21.2	(1.4)	(0.8)	(0.0)	—	19.0
Profit/(loss) from continuing operations (*Resultado de actividades continuadas*)	**(1.1)**	**5.2**	**4.3**	**2.3**	**—**	**10.7**
Loss after tax from discontinued operations (*Resultados después de impuestos de actividades interrumpidas*)	(0.0)	—	—	—	—	(0.0)
Loss attributable to the Parent (*Resultado atribuido a la sociedad dominante*)	**(0.1)**	**4.2**	**4.3**	**2.3**	**—**	**10.7**
Segment assets (*Activos del segmento*)	**790.4**	**46.0**	**109.6**	**—**	**—**	**946.0**
Assets from discontinued operations or held for sale (*Activos de operaciones discontinuadas o mantenidas para la venta*)	0.3	—	—	—	—	0.3
Group assets (*Activos del grupo*)	**790.7**	**46.0**	**109.6**	**—**	**—**	**946.3**
Segment liabilities (*Pasivos del segmento*)	**43.8**	**8.0**	**8.7**	**—**	**—**	**60.5**
Liabilities from discontinued operations or held for sale (*Pasivos de operaciones discontinuadas o mantenidas para la venta*)	0.0	—	—	—	—	0.0
Unassigned liabilities (*Pasivos sin asignar*)	—	—	—	—	—	884.0
Group liabilities (*Pasivos del grupo*)	**43.8**	**8.0**	**8.7**	**—**	**—**	**946.3**
Investments in property, plant and equipment and intangible assets (*Inversiones en inmovilizado material e inmaterial*)	**13.6**	**4.3**	**9.1**	**—**	**—**	**27.0**

(1) Other revenue is comprised of revenue from franchising activity (*ingresos por la actividad franquiciadora*), other services rendered to franchises (*otros servicios a franquiciados*), revenue from initial franchise fees (*ingresos de cánones*) and sublease income (*ingresos por subarriendo*).

Total Revenues by Segment (*Ingresos por Segmento*)

<u>Spain (*España*)</u>

Our total revenues (*total ingresos ordinarios*) from our Spain (*España*) segment increased by €2.2 million, or 0.9%, to €247.0 million in 2018 from €244.8 million in 2017 (as restated), primarily as a result of increased sales by our franchisees in Spain through our digital channel due to our promotional policy and our customers' increased engagement with our digital platform.

Our total revenues (*total ingresos ordinarios/total ingresos de explotación*) from our Spain (*España*) segment increased by €16.1 million, or 7.0%, to €244.8 million in 2017 (as restated) from €228.7 million in 2016, primarily as a result of a result of increased factory sales to franchises and royalties due to increased sales by our franchisees.

<u>Rest of Europe (*Resto Europa*)</u>

Our total revenues (*total ingresos ordinarios*) from our Rest of Europe (*Resto Europa*) segment increased by €11.5 million, or 27.9%, to €52.7 million in 2018 from €41.2 million in 2017 (as restated), primarily as a result of the acquisition of the Apache pizza chain in Ireland as well as the increase in chain sales in Portugal, mainly due to our promotional policy and the increase in our digital sales.

Our total revenues (*total ingresos ordinarios/total ingresos de explotación*) from our Rest of Europe (*Resto Europa*) segment decreased by €12.1 million, or 22.7%, to €41.2 million in 2017 (as restated) from €53.3 million in 2016, primarily as a result of the reclassification of our operations in Poland and the Czech Republic as discontinued operations in 2017.

<u>Latin America (*Latino-América*)</u>

Our total revenues (*total ingresos ordinarios*) from our Latin America (*Latino-América*) segment remained flat at €74.4 million in 2018 compared to €74.5 million in 2017 (as restated).

Our total revenues (*total ingresos ordinarios/total ingresos de explotación*) from our Latin America (*Latino-América*) segment increased by €7.1 million, or 10.5%, to €74.4 million in 2017 (as restated) from €67.3 million in 2016, primarily as a result of increased factory sales to franchises and royalties due to increased chain sales.

<u>Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*)</u>

Our total revenues (*total ingresos ordinarios*) from our Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*) segment decreased by €1.3 million, or 65.0%, to €0.7 million in 2018 from €2.0 million in 2017 (as restated).

Our total revenues (*total ingresos ordinarios/total ingresos de explotación*) from our Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*) segment decreased by €0.6 million, or 23.1%, to €2.0 million in 2017 (as restated) from €2.6 million in 2016, primarily as a result of the one-off opening fee received from franchised operations in Iran in 2016.

Operating Profit by Segment (Beneficio de Explotación por Segmento)

Spain (*España*)

Our operating profit (*Beneficio de explotación*) from our Spain (*España*) segment decreased by €21.3 million, or 67.0%, to €10.5 million in 2018 from €31.8 million in 2017 (as restated). As a percentage of total revenues (*ingresos*), our operating profit (*beneficio de explotación*) from our Spain (*España*) segment decreased to 3.1% in 2018 from 9.3% in 2017 as a result of transaction related costs in 2018 related to the Yum! Alliance.

Our operating profit (*beneficio de explotación*) from our Spain (*España*) segment increased by €33.4 million to €31.8 million in 2017 (as restated) from a loss of €1.6 million in 2016. As a percentage of total revenues (*ingresos*), our operating profit (*beneficio de explotación*) from our Spain (*España*) segment increased to 9.3% in 2017 from a loss of 0.5% in 2016. This was primarily due to one-off expenses incurred in 2016 which were not incurred in 2017.

Rest of Europe (*Resto Europa*)

Our operating profit (*beneficio de explotación*) from our Rest of Europe (*Resto Europa*) segment decreased by €2.2 million, to €5.6 million in 2018 from €7.8 million in 2017 (as restated). As a percentage of total revenues (*ingresos*), our operating profit (*beneficio de explotación*) from our Rest of Europe (*Resto Europa*) segment decreased to 1.6% in 2018 from 2.3% in 2017.

Our operating profit (*beneficio de explotación*) from our Rest of Europe (*Resto Europa*) segment increased by €0.6 million, or 8.3%, to €7.8 million in 2017 (as restated) from €7.2 million in 2016. As a percentage of total revenues (*ingresos*), our operating profit (*beneficio de explotación*) from our Rest of Europe (*Resto Europa*) segment increased to 2.3% in 2017 from 2.1% in 2016. This was primarily due to the improvement in our operations in Portugal.

Latin America (*Latino-América*)

Our operating profit (*beneficio de explotación*) from our Latin America (*Latino-América*) segment decreased by €18.1 million to a loss of €11.7 million in 2018 from a profit of €6.4 million in 2017 (as restated). As a percentage of total revenues (*ingresos*), our operating loss (*beneficio de explotación*) from our Latin America (*Latino-América*) segment decreased to (3.4)% in 2018 from 1.9% in 2017. This was primarily due to transaction related costs related to the Yum! Alliance in 2018.

Our operating profit (*beneficio de explotación*) from our Latin America (*Latino-América*) segment increased by €0.1 million, or 1.6%, to €6.4 million in 2017 (as restated) from €6.3 million in 2016. As a percentage of total revenues (*ingresos*), our operating profit (*beneficio de explotación*) from our Latin America (*Latino-América*) segment increased to 1.9% in 2017 from 1.8% in 2016.

Master Franchise and Rest of the World (*Masterfranquicia y Resto del Mundo*)

Our operating profit (*beneficio de explotación*) from our Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*) segment decreased by €1.3 million, or 108.3%, to a loss of €0.1 million in 2018 from a profit of €1.2 million in 2017 (as restated). As a percentage of total revenues (*ingresos*), our operating loss (*beneficio de explotación*) from our Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*) segment decreased to (0.0)% in 2018 from 0.4% in 2017.

Our operating profit (*beneficio de explotación*) from our Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*) segment decreased by €1.2 million to €1.2 million in 2017 (as restated) from €2.4 million in 2016. As a percentage of total revenues (*ingresos*), our operating profit (*beneficio de explotación*) from our Master Franchise and Rest of World (*Masterfranquicia y Resto del Mundo*) segment decreased to 0.4% in 2017 from 0.7% in 2016. This was primarily due to the increase in personnel expenses to improve customer service in 2017.

Liquidity and Capital Resources

Overview

Our principal cash requirements consist of the following:

- capital expenditures related to investments in our operations and maintenance and upgrades of our existing facilities;
- servicing our indebtedness;
- paying taxes; and
- working capital requirements, including buybacks of our stores.

Our principal sources of liquidity are expected to be cash flows from our operating activities, capital contributions and shareholder contributions, and short-term and long-term loans and financing, including drawings under revolving credit facilities.

Our ability to generate operating cash flows depends on our operating performance, which in turn depends to some extent on general economic, financial, industry, regulatory and other factors, many of which are beyond our control, as well as other factors. The ability of our subsidiaries to pay dividends and make other payments to us may be restricted by, among other things, legal prohibitions on such payments or otherwise distributing funds to us, including for the purpose of servicing debt. Losses or other events could further reduce the net equity and distributable reserves of our subsidiaries.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the years presented, including cash from discontinued operations:

	For the year ended December 31,		
(in € millions)	**2016**	**2017[(1)]**	**2018**
Net cash from operating activities (*Efectivo neto generado por las actividades de explotación*)	48.8	47.6	27.2
Net cash used in investing activities (*Efectivo neto utilizado en las actividades de inversión*)	(30.2)	(25.6)	(35.7)
Net cash from (used in) financing activities (*Efectivo neto utilizado en las actividades financieras*)	3.4	——	(21.9)
Net increase (decrease) in cash and cash equivalents (*Aumento/(disminución) de efectivo y otros medios líquidos equivalentes*)	**22.0**	**22.0**	**(30.4)**

(1) Restated figures.

Cash Flows Provided by Operating Activities (*Efectivo generado por las actividades de explotación*)

Our cash flows from operating activities (*Efectivo neto generado por las actividades de explotación*) decreased from €47.6 million in 2017 to €27.2 million in 2018. This decrease was primarily due to the payment of expenses related to the Yum! Alliance agreement.

Our cash flows from operating activities (*Efectivo neto generado por las actividades de explotación*) slightly decreased by €1.2 million, to €47.6 million in 2017 compared to €48.8 million in 2016 primarily due to the net effect of the expenses incurred in 2016 relating to the IPO and the reclassification in 2017 of interest paid to operating activities from financing activities due to the adoption of IFRS 9.

Cash Flows (Used in) Investing Activities (*Efectivo neto utilizado en las actividades de inversión*)

Our cash flows used in investing activities (*Efectivo neto utilizado en las actividades de inversión*) increased from €25.6 million in 2017 to €35.7 million in 2018. This increase was primarily due to the acquisition of subsidiaries, in particular the acquisition of Pizza Hut operations in Ecuador.

Our cash flows used in investing activities (*Efectivo neto utilizado en las actividades de inversión*) decreased from €30.2 million in 2016 to €25.6 million in 2017. This decrease was primarily due to the new classification in 2017 of other cash used for other non-current financial assets to operating activities from the adoption of IFRS 9.

Cash Flows Provided by Financing Activities (*Efectivo neto utilizado en las actividades financieras*)

Our cash flows used in financing activities (*Efectivo neto utilizado en las actividades financieras*) increased from €0 in 2017 to €21.9 million in 2018. This increase was primarily due to the acquisition of our own shares and paying a dividend in 2018.

Our cash flows from financing activities (*Efectivo neto utilizado en las actividades financieras*) decreased from €3.4 million in 2016 to €0 in 2017. This decrease was primarily due to the refinancing and the initial public offering in 2016.

Working Capital

The following table shows our working capital as of December 31, 2016, 2017 and 2018:

	As of December 31,		
(in € millions)	**2016**	**2017(1)**	**2018**
Current assets(2) (*Activos Corrientes*)	119.9	145.3	127.0
Current liabilities (*Pasivos Corrientes*)	(54.2)	(55.5)	(83.4)
Working capital(3)	**65.7**	**89.8**	**43.6**

(1) Restated figures.

(2) Current assets include cash and cash equivalents (*efectivo y otros medios líquidos equivalentes*) of €64.0 million, €87.3 million and €56.7 million in 2016, 2017 (as restated) and 2018, respectively.

(3) This measure is not a measure of financial performance under IFRS and should not be considered as a substitute for other indicators of our operating performance, cash flows or any other measure of performance and liquidity derived in accordance with IFRS.

Working capital decreased by €46.2 million, or 51.4%, to €43.6 million as of December 31, 2018, from €89.8 million as of December 31, 2017. This decrease was primarily due to a decrease in cash and cash equivalents and an increase in trade and other payables.

Working capital increased by €24.1 million, or 36.7%, to €89.8 million as of December 31, 2017, from €65.7 million as of December 31, 2016. This increase was primarily due to higher cash and cash equivalents in 2017.

Capital Expenditures

We generally require capital expenditures for the maintenance of our existing store portfolio to remain competitive and maintain the value of our brand. In addition, in previous years our capital expenditures have mainly related to the opening of new stores and the refurbishment and relocation of our existing stores. In 2018, however, in preparation for the upcoming store conversions in connection with the Yum! Alliance, we reduced our capital expenditures in store openings and refurbishments and relocations, and increased our capital expenditures in information technology and store buybacks.

The following table shows our recurring capital expenditures in the last three years for the maintenance of existing assets and for investment in expanded capacity excluding transaction related capital expenditures:

	For the year ended December 31,		
(in € millions)	**2016**	**2017(1)**	**2018(2)**
Maintenance	5.4	4.6	4.9
New Investment	21.7	23.2	21.9
Store buybacks	4.2	1.6	6.9
Store openings	7.6	6.9	2.3
Refurbishments and relocations	3.9	7.9	3.4
Digital & IT(3)	3.8	4.3	5.2
Efficiency and Supply Chain	2.2	2.4	4.1

Total capital expenditures	**27.0**	**27.8**	**26.9**

(1) Does not include €11.1 million in capital expenditures in 2017 related to the acquisition of the Apache Pizza chain in Ireland in 2017 as a result of the restatement made in 2018 in the accounts of 2017.

(2) Does not include €19.0 million in capital expenditures in 2018 related to the acquisition of Pizza Hut Ecuador or €11.9 million for the initial franchise fee.

(3) Includes capital expenditures related to new and replacement information technology equipment.

Although our store buyback capital expenditures in 2018 were higher than in 2017 in anticipation of the consummation of the Yum! Alliance, in 2019 we expect our operating capital expenditures will be mainly related to store openings, conversions and refurbishments and are expected to require capital expenditures of approximately €40.0 to €45.0 million. This estimate excludes the impact of any acquisitions or divestments over the period. In addition, as part of our general strategy and in connection with the Yum! Alliance, we intend to undertake capital expenditures during the next three years to open new stores and convert Telepizza stores to Pizza Hut stores, particularly in Latin America, as well as to invest in our dough factories.

We expect to finance our future capital expenditures through either cash from operations, equity contributions and, if necessary, from bank loans or issuances of debt in the capital markets.

Off-Balance Sheet Arrangements

With the exception of bank and other guarantees provided in the ordinary course of business (*pasivos contingentes por avales bancarios y otras garantías relacionadas con el curso normal del negocio*) and amounting to €6.1 million as of December 31, 2018, we do not currently engage in off-balance sheet financing arrangements. In addition, we do not have any interest in entities referred to as special purpose entities, which include special purposes entities and other structured finance entities.

Key Performance Indicators

We present below certain key performance indicators and other non-financial operating data. Certain of these key performance data, including, among others, the number of our stores, are derived from management estimates and are not part of our financial statements or our accounting records. Our use or computation of these measures may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these measures should not be considered in isolation or as a substitute measure of performance under IFRS.

	For the year ended December 31,		
(in € millions, unless otherwise indicated)	**2016**	**2017**	**2018**
Revenues (*Ingresos*)	339.6	342.4	340.3
Merchandise and raw materials used (*Consumo de mercaderías y materias primas*)	(88.6)	(93.3)	(97.5)
Gross profit[1]	**251.0**	**249.1**	**242.8**
Gross profit margin[2] **(%)**	**73.9**	**72.8**	**71.3**
Chain sales[3]	**517.0**	**561.6**	**635.7**
Own store sales	196.0	194.7	175.1
Franchise sales	321.0	366.9	460.6
Master franchise sales	30.1	32.3	29.6

(1) "Gross profit margin" represents our revenues less merchandise and raw materials used and does not include personnel expenses.
(2) "Gross profit margin (%)" represents gross profit expressed as a percentage of revenue.
(3) "Chain sales" represents own outlet sales plus franchised and master franchised store sales as reported to us by the franchisees and master franchisees.

	For the year ended December 31,		
(in € millions)	**2016**	**2017**	**2018**[1]
Chain sales[2]	**517.0**	**561.6**	**635.7**
Spain (España)	335.2	354.7	369.3
International (Internacional)	181.8	206.9	266.3

(1) "Chain sales" represents own outlet sales plus franchised and master franchised store sales as reported to us by the franchisees and master franchisees.
(2) Combined chain sales of Telepizza and Pizza Hut for the 2018 financial year would have been approximately €1.2 billion, of which approximately €519 million would have been generated in Iberia.

(in € millions)	For the year ended December 31, 2016	2017	2018
Like-for-like chain sales growth[(1)]	**4.2%**	**4.1%**	**1.5%**
Spain (España)	3.6%	3.6%	1.4%
International (Internacional)	5.4%	4.9%	1.8%
Chain sales growth[(2)]	**5.1%**	**8.6%**	**13.2**
Spain (España)	5.3%	5.8%	4.2%
International (Internacional)	4.9%	13.8%	28.7%

(1) "Like-for-like chain sales growth" represents chain sales growth as adjusted for the following:

- Scope adjustments: If a store has been open for the full month, we consider that an "operating month" for the store in question; if not, that month is not an operating month for that store. Like-for-like chain sales growth takes into account only variations in a store's sales for a given month if that month was an operating month for the store in both of the periods being compared. The scope adjustment is the percentage variation between two periods resulting from dividing (i) the variation between the chain sales excluded in each of such periods (the "excluded chain sales") because they were obtained in operating months that were not operating months in the comparable period, by (ii) the prior period's chain sales as adjusted to deduct the excluded chain sales of such period. In this way, we can see the actual changes in chain sales between operating stores, removing the impact of changes between the periods that are due to store openings and closures; and

- Euro exchange rate adjustments: We calculate life-for-like chain sales growth on a constant currency basis in order to remove the impact of changes between the euro and the currencies in certain countries where we operate. To make this adjustment, we apply the monthly average euro exchange rate of the operating month in the most recent period to the comparable operating months of the prior period;

(2) "Chain sales growth" represents the change in our chain sales from one period of time to the next, expressed in percentage terms.

(number of stores)	As at December 31, 2016		2017		2018[(1)]	
	Own stores (*tiendas propias*)	Franchised stores (*franquiciados*)	Own stores (*tiendas propias*)	Franchised stores (*franquiciados*)	Own stores (*tiendas propias*)	Franchised stores (*franquiciados*)
Spain	164	511	137	571	113	635
Portugal	41	68	43	73	47	171
Chile[(2)]	91	52	92	68	80	143
Mexico	—	—	—	—	—	248
Peru	43	4	45	4	41	96
Colombia	61	34	45	45	41	52
Ecuador	20	3	23	4	56	3
Other Latin America[(3)]	2	142	8	148	5	598
Rest of Europe[(4)]	32	99	48	225	41	232
Rest of the World[(5)]	—	22	—	28	—	29
Total	**454**	**935**	**441**	**1,166**	**424**	**2,207**
Total Number of Stores		**1,389**		**1,607**		**2,631**

(1) Includes Telepizza and Pizza Hut stores.
(2) Shown before the acquisition of Pizza Hut stores in Chile, which is expected to be completed in 2019.
(3) Include Costa Rica, Puerto Rico, El Salvador, Guatemala, Honduras, Panama, Dominican Republic, Paraguay, Nicaragua, Bolivia, Caribbean and Venezuela.
(4) Include Ireland, Poland, Switzerland, Czech Republic, UK, Malta.
(5) Include Russia, Angola, Iran and Saudi Arabia.