



YUM! Brands, Inc.
Historical Financial Summary
Fourth Quarter, 2018



YUM! Brands, Inc.
Consolidated Statements of Income
(in millions, except per share and unit amounts)

	2018				2017	2016	2015	
	Q1 (unaudited)	Q2 (unaudited)	Q3 (unaudited)	Q4 (unaudited)	FY	FY	FY	
Revenues								
Company sales	\$ 512	\$ 512	\$ 499	\$ 477	\$ 2,000	\$ 3,572	\$ 4,189	\$ 4,336
Franchise and property revenues	584	584	605	709	2,482	2,306	2,167	2,082
Franchise contributions for advertising and other services	275	272	287	372	1,206	-	-	-
Total revenues	1,371	1,368	1,391	1,558	5,688	5,878	6,356	6,418
Costs and Expenses, Net								
Company restaurant expenses	438	421	399	376	1,634	2,954	3,489	3,627
General and administrative expenses	219	208	204	264	895	999	1,129	1,058
Franchise and property expenses	47	40	40	61	188	237	201	240
Franchise advertising and other services expense	272	274	288	374	1,208	-	-	-
Refranchising (gain) loss	(156)	(29)	(100)	(255)	(540)	(1,083)	(163)	23
Other (income) expense	(2)	5	7	(3)	7	10	18	36
Total costs and expenses, net	818	919	838	817	3,392	3,117	4,674	4,984
Operating Profit	553	449	553	741	2,296	2,761	1,682	1,434
Investment (income) expense, net	(66)	(23)	(96)	176	(9)	(5)	(2)	-
Other pension (income) expense	3	3	4	4	14	47	32	40
Interest expense, net	107	112	111	122	452	445	307	141
Income before income taxes	509	357	534	439	1,839	2,274	1,345	1,253
Income tax provision	76	36	80	105	297	934	327	327
Income from continuing operations	433	321	454	334	1,542	1,340	1,018	926
Income from discontinued operations, net of tax	N/A	N/A	N/A	N/A	N/A	N/A	625	357
Net Income - YUM! Brands, Inc.	\$ 433	\$ 321	\$ 454	\$ 334	\$ 1,542	\$ 1,340	\$ 1,643	\$ 1,283

Basic EPS - Continuing Operations

Reported EPS	\$ 1.30	\$ 0.99	\$ 1.43	\$ 1.07	\$ 4.80	\$ 3.86	\$ 2.58	\$ 2.13
Weighted average shares used in computation	332	324	318	313	322	347	394	435

Basic EPS - Discontinued Operations

Reported EPS	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1.59	\$ 0.82
Weighted average shares used in computation	N/A	N/A	N/A	N/A	N/A	N/A	394	435

Diluted EPS - Continuing Operations

Reported EPS	\$ 1.27	\$ 0.97	\$ 1.40	\$ 1.04	\$ 4.69	\$ 3.77	\$ 2.54	\$ 2.09
Weighted average shares used in computation	340	331	325	320	329	355	400	443

Diluted EPS - Discontinued Operations

Reported EPS	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1.56	\$ 0.81
Weighted average shares used in computation	N/A	N/A	N/A	N/A	N/A	N/A	400	443

System sales growth

Reported	9%	7%	4%	4%	5%	4%	3%	(1)%
Ex/FX	4%	4%	5%	6%	5%	4%	5%	5%
Ex/FX and 53 rd week	N/A	N/A	N/A	N/A	N/A	5%	4%	N/A

Company sales	\$ 512	\$ 512	\$ 499	\$ 477	\$ 2,000	\$ 3,572	\$ 4,189	\$ 4,336
Franchisee sales	11,196	11,177	11,589	13,275	47,237	43,122	40,732	39,393
System Sales	\$ 11,708	\$ 11,689	\$ 12,088	\$ 13,752	\$ 49,237	\$ 46,694	\$ 44,921	\$ 43,729

Worldwide System Same Store Sales Growth	1%	1%	2%	3%	2%	2%	1%	2%
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Net Unit Growth	239	243	410	2,148	3,040	1,409	1,192	1,245
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* See accompanying "Notes to Historical Financial Summary".

** Net unit growth in 2018 includes 1,282 units operating under the Telepizza brand.

YUM! Brands, Inc.
KFC Division Operating Results
(in millions, except unit amounts)

	2018				2017	2016	2015	
	Q1	Q2	Q3	Q4	FY	FY	FY	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)				
Revenues								
Company sales	\$ 245	\$ 241	\$ 221	\$ 187	\$ 894	\$ 1,928	\$ 2,156	\$ 2,191
Franchise and property revenues	307	310	320	357	1,294	1,182	1,069	1,031
Franchise contributions for advertising and other services	106	100	108	142	456	-	-	-
Total revenues	658	651	649	686	2,644	3,110	3,225	3,222
Costs and Expenses, Net								
Company restaurant expenses	220	210	187	158	775	1,639	1,839	1,884
General and administrative expenses	85	81	81	103	350	370	396	395
Franchise and property expenses	29	25	24	29	107	117	108	101
Franchise advertising and other services expense	104	101	107	140	452	-	-	-
Other (income) expense	(1)	(1)	2	1	1	3	11	7
Total costs and expenses, net	437	416	401	431	1,685	2,129	2,354	2,387
Operating Profit	\$ 221	\$ 235	\$ 248	\$ 255	\$ 959	\$ 981	\$ 871	\$ 835

System sales growth

Reported	12%	9%	4%	3%	7%	5%	3%	(3)%
Ex/FX	6%	6%	7%	7%	6%	6%	7%	5%
Ex/FX and 53 rd week	N/A	N/A	N/A	N/A	N/A	6%	6%	N/A

Company sales	\$ 245	\$ 241	\$ 221	\$ 187	\$ 894	\$ 1,928	\$ 2,156	\$ 2,191
Franchisee sales	6,084	6,065	6,334	6,862	25,345	22,587	21,086	20,437
System Sales	\$ 6,329	\$ 6,306	\$ 6,555	\$ 7,049	\$ 26,239	\$ 24,515	\$ 23,242	\$ 22,628

System Same Store Sales Growth	2%	2%	3%	3%	2%	3%	2%	1%
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Net Unit Growth	157	194	266	517	1,134	844	657	568
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* See accompanying "Notes to Historical Financial Summary".

YUM! Brands, Inc.
Pizza Hut Division Operating Results
(in millions, except unit amounts)

	2018				2017	2016	2015	
	Q1	Q2	Q3	Q4	FY	FY	FY	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)				
Revenues								
Company sales	\$ 24	\$ 18	\$ 13	\$ 14	\$ 69	\$ 285	\$ 493	\$ 601
Franchise and property revenues	149	140	143	166	598	608	615	604
Franchise contributions for advertising and other services	78	75	73	95	321	-	-	-
Total revenues	251	233	229	275	988	893	1,108	1,205
Costs and Expenses, Net								
Company restaurant expenses	24	19	13	13	69	271	452	543
General and administrative expenses	50	46	45	56	197	211	242	262
Franchise and property expenses	11	8	9	17	45	68	48	45
Franchise advertising and other services expense	78	77	74	99	328	-	-	-
Other (income) expense	-	2	-	(1)	1	2	(1)	4
Total costs and expenses, net	163	152	141	184	640	552	741	854
Operating Profit	\$ 88	\$ 81	\$ 88	\$ 91	\$ 348	\$ 341	\$ 367	\$ 351

System sales growth

Reported	6%	2%	(1)%	0%	1%	0%	0%	(1)%
Ex/FX	2%	0%	0%	2%	1%	1%	2%	3%
Ex/FX and 53 rd week	N/A	N/A	N/A	N/A	N/A	2%	1%	N/A

Company sales	\$ 24	\$ 18	\$ 13	\$ 14	\$ 69	\$ 285	\$ 493	\$ 601
Franchisee sales	3,008	2,876	2,916	3,343	12,143	11,749	11,526	11,398
System Sales	\$ 3,032	\$ 2,894	\$ 2,929	\$ 3,357	\$ 12,212	\$ 12,034	\$ 12,019	\$ 11,999

System Same Store Sales Growth	1%	(1)%	(1)%	0%	0%	0%	(2)%	0%
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Net Unit Growth	48	27	107	1,501	1,683	328	336	474
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* See accompanying "Notes to Historical Financial Summary".

** Net unit growth in 2018 includes 1,282 units operating under the Telepizza brand.

YUM! Brands, Inc.
Taco Bell Division Operating Results
(in millions, except unit amounts)

	2018				2017	2016	2015	
	Q1	Q2	Q3	Q4	FY	FY	FY	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)				
Revenues								
Company sales	\$ 243	\$ 253	\$ 265	\$ 276	\$ 1,037	\$ 1,359	\$ 1,540	\$ 1,544
Franchise and property revenues	128	134	142	186	590	521	485	447
Franchise contributions for advertising and other services	91	97	106	135	429	-	-	-
Total revenues	462	484	513	597	2,056	1,880	2,025	1,991
Costs and Expenses, Net								
Company restaurant expenses	194	193	200	206	793	1,054	1,198	1,200
General and administrative expenses	40	41	40	56	177	188	211	221
Franchise and property expenses	6	6	5	11	28	22	21	23
Franchise advertising and other services expense	90	96	107	135	428	-	-	-
Other (income) expense	-	(1)	-	(2)	(3)	(3)	-	1
Total costs and expenses, net	330	335	352	406	1,423	1,261	1,430	1,445
Operating Profit	\$ 132	\$ 149	\$ 161	\$ 191	\$ 633	\$ 619	\$ 595	\$ 546

System sales growth

Reported	4%	5%	7%	8%	6%	5%	6%	8%
Ex/FX	4%	5%	8%	9%	6%	5%	6%	8%
Ex/FX and 53 rd week	N/A	N/A	N/A	N/A	N/A	7%	5%	N/A

Company sales	\$ 243	\$ 253	\$ 265	\$ 276	\$ 1,037	\$ 1,359	\$ 1,540	\$ 1,544
Franchisee sales	2,104	2,236	2,339	3,070	9,749	8,786	8,120	7,558
System Sales	\$ 2,347	\$ 2,489	\$ 2,604	\$ 3,346	\$ 10,786	\$ 10,145	\$ 9,660	\$ 9,102

System Same Store Sales Growth	1%	2%	5%	6%	4%	4%	2%	5%
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Net Unit Growth	34	22	37	130	223	237	199	203
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* See accompanying "Notes to Historical Financial Summary".

System Same Store Sales Growth

	KFC		Pizza Hut		Taco Bell	
	QTD	YTD	QTD	YTD	QTD	YTD
	%	%	%	%	%	%
Q4 2018	3%	2%	0%	0%	6%	4%
Q3 2018	3%		-1%		5%	
Q2 2018	2%		-1%		2%	
Q1 2018	2%		1%		1%	
Q4 2017	3%	3%	1%	0%	2%	4%
Q3 2017	4%		1%		3%	
Q2 2017	3%		-1%		4%	
Q1 2017	2%		-3%		8%	
Q4 2016	2%	2%	-3%	-2%	3%	2%
Q3 2016	2%		-1%		3%	
Q2 2016	3%		-1%		-1%	
Q1 2016	3%		-1%		1%	
Q4 2015	3%	1%	0%	0%	4%	5%
Q3 2015	5%		1%		4%	
Q2 2015	-2%		-1%		6%	
Q1 2015	-1%		-1%		6%	

Global Unit Count by Division & Market & Ownership Type
4th Quarter 2018

	EM vs. DEV Classification	KFC Division Franchise & Total			Pizza Hut Division Franchise & Total			Taco Bell Division Franchise & Total			Total
		Company	License	Total	Company	License	Total	Company	License	Total	
Albania	EM	-	2	2	-	-	-	-	-	-	2
Algeria	EM	-	-	-	-	2	2	-	-	-	2
Andorra	DEV	-	-	-	-	1	1	-	-	-	1
Angola	EM	-	9	9	-	1	1	-	-	-	10
Antigua	EM	-	2	2	-	-	-	-	-	-	2
Argentina	EM	-	10	10	-	-	-	-	-	-	10
Armenia	EM	-	9	9	-	2	2	-	-	-	11
Aruba	DEV	-	4	4	-	3	3	-	3	3	10
Australia	DEV	51	601	652	-	279	279	-	4	4	935
Austria	DEV	-	7	7	-	-	-	-	-	-	7
Azerbaijan	EM	-	9	9	-	2	2	-	-	-	11
Bahamas	EM	-	13	13	-	4	4	-	-	-	17
Bahrain	EM	-	24	24	-	16	16	-	-	-	40
Bangladesh	EM	-	21	21	-	16	16	-	-	-	37
Barbados	EM	-	12	12	-	-	-	-	-	-	12
Belarus	EM	-	16	16	-	-	-	-	-	-	16
Belgium	DEV	-	-	-	-	103	103	-	-	-	103
Bermuda	DEV	-	1	1	-	-	-	-	-	-	1
Bolivia	EM	-	3	3	-	7	7	-	-	-	10
Bonaire	DEV	-	1	1	-	-	-	-	-	-	1
Botswana	EM	-	12	12	-	3	3	-	-	-	15
Brazil	EM	-	57	57	-	184	184	-	27	27	268
Brunei	EM	-	16	16	-	15	15	-	-	-	31
Bulgaria	EM	-	24	24	-	-	-	-	-	-	24
Cambodia	EM	-	11	11	-	-	-	-	-	-	11
Canada	DEV	-	644	644	-	431	431	4	35	39	1,114
Chile	EM	-	67	67	-	224	224	-	9	9	300
China	EM	-	5,910	5,910	-	2,240	2,240	-	4	4	8,154
Colombia	EM	-	79	79	-	88	88	-	-	-	167
Costa Rica	EM	-	43	43	-	59	59	-	40	40	142
Croatia	EM	-	8	8	-	-	-	-	-	-	8
Curacao	DEV	-	7	7	-	4	4	-	-	-	11
Cyprus	DEV	-	26	26	-	36	36	-	5	5	67
Czech Republic	DEV	-	97	97	-	7	7	-	-	-	104
Denmark	DEV	-	10	10	-	-	-	-	-	-	10
Dominica	EM	-	1	1	-	-	-	-	-	-	1
Dominican Republic	EM	-	27	27	-	29	29	-	16	16	72
Ecuador	EM	-	143	143	-	60	60	-	-	-	203
Egypt	EM	-	154	154	-	77	77	-	-	-	231
El Salvador	EM	-	7	7	-	106	106	-	6	6	119
Ethiopia	EM	-	-	-	-	3	3	-	-	-	3
Finland	DEV	-	-	-	-	12	12	-	5	5	17
France	DEV	-	244	244	-	152	152	-	-	-	396
Georgia	EM	-	5	5	-	-	-	-	-	-	5
Germany	DEV	-	173	173	-	78	78	-	-	-	251
Ghana	EM	-	17	17	-	7	7	-	-	-	24
Gibraltar	DEV	-	-	-	-	1	1	-	-	-	1
Grand Cayman	DEV	-	3	3	-	2	2	-	-	-	5
Greece	DEV	-	8	8	-	16	16	-	-	-	24
Grenada	EM	-	4	4	-	2	2	-	-	-	6
Guadeloupe	DEV	-	5	5	-	2	2	-	-	-	7
(a) Guam	DEV	-	8	8	-	6	6	-	7	7	21
Guatemala	EM	-	7	7	-	146	146	-	60	60	213
Guyana	EM	-	5	5	-	6	6	-	-	-	11
Honduras	EM	-	15	15	-	54	54	-	-	-	69
Hong Kong	DEV	-	81	81	-	116	116	-	-	-	197

	EM vs. DEV Classification	KFC Division Franchise &			Pizza Hut Division Franchise &			Taco Bell Division Franchise &			Total
		Company	License	Total	Company	License	Total	Company	License	Total	
Hungary	EM	-	58	58	-	19	19	-	-	-	77
Iceland	DEV	-	8	8	-	2	2	-	-	-	10
India	EM	79	301	380	-	432	432	4	28	32	844
Indonesia	EM	-	687	687	-	453	453	-	-	-	1,140
Iraq	EM	-	8	8	-	7	7	-	-	-	15
Ireland	DEV	-	38	38	-	22	22	-	-	-	60
Israel	DEV	-	-	-	-	89	89	-	-	-	89
Italy	DEV	-	30	30	-	-	-	-	-	-	30
Ivory Coast	EM	-	1	1	-	-	-	-	-	-	1
Jamaica	EM	-	36	36	-	11	11	-	-	-	47
Japan	DEV	-	1,139	1,139	-	416	416	-	8	8	1,563
Jordan	EM	-	27	27	-	18	18	-	-	-	45
Kazakhstan	EM	-	52	52	-	1	1	-	-	-	53
Kyrgyzstan	EM	-	4	4	-	-	-	-	-	-	4
Kenya	EM	-	21	21	-	6	6	-	-	-	27
Korea	DEV	-	193	193	-	334	334	-	15	15	542
Kosovo	EM	-	9	9	-	-	-	-	-	-	9
Kuwait	EM	-	65	65	-	63	63	-	7	7	135
Latvia	DEV	-	1	1	-	-	-	-	-	-	1
Lebanon	EM	-	23	23	-	20	20	-	-	-	43
Lesotho	EM	-	7	7	-	-	-	-	-	-	7
Lithuania	DEV	-	3	3	-	1	1	-	-	-	4
Luxembourg	DEV	-	-	-	-	9	9	-	-	-	9
Macedonia	EM	-	3	3	-	-	-	-	-	-	3
Malawi	EM	-	2	2	-	-	-	-	-	-	2
Malaysia	EM	-	713	713	-	394	394	-	-	-	1,107
Maldives	EM	-	2	2	-	2	2	-	-	-	4
Malta	DEV	-	3	3	-	5	5	-	-	-	8
Martinique	DEV	-	1	1	-	-	-	-	-	-	1
Mauritius	EM	-	21	21	-	7	7	-	-	-	28
Mexico	EM	-	389	389	-	248	248	-	-	-	637
Military - Africa	DEV (Military)	-	-	-	-	1	1	-	-	-	1
(a) Military - Asia	DEV (Military)	-	1	1	-	-	-	-	22	22	23
Military - Europe	DEV (Military)	-	-	-	-	9	9	-	14	14	23
Military - Iberia	DEV (Military)	-	1	1	-	-	-	-	-	-	1
Military - Latin America	DEV (Military)	-	-	-	-	1	1	-	1	1	2
Military - MENA	DEV (Military)	-	-	-	-	8	8	-	5	5	13
Military - United States	DEV (Military)	-	-	-	-	19	19	-	-	-	19
Moldova	EM	-	2	2	-	-	-	-	-	-	2
Mongolia	EM	-	12	12	-	13	13	-	-	-	25
Morocco	EM	-	17	17	-	49	49	-	-	-	66
Mozambique	EM	-	14	14	-	3	3	-	-	-	17
Myanmar	EM	-	33	33	-	7	7	-	-	-	40
Namibia	EM	-	21	21	-	-	-	-	-	-	21
Nepal	EM	-	7	7	-	3	3	-	-	-	10
Netherlands	DEV	-	62	62	-	3	3	-	3	3	68
New Zealand	DEV	-	100	100	-	98	98	-	-	-	198
Nicaragua	EM	-	-	-	-	17	17	-	-	-	17
Nigeria	EM	-	21	21	-	3	3	-	-	-	24
Norway	DEV	-	-	-	-	-	-	-	-	-	-
Oman	EM	-	35	35	-	41	41	-	-	-	76
Pakistan	EM	-	82	82	-	102	102	-	-	-	184
Panama	EM	-	44	44	-	44	44	-	11	11	99
Paraguay	EM	-	3	3	-	24	24	-	-	-	27
Peru	EM	-	128	128	-	139	139	-	2	2	269
Philippines	EM	-	331	331	-	182	182	-	8	8	521
Poland	EM	-	264	264	-	135	135	-	-	-	399
Portugal	DEV	-	27	27	-	219	219	-	-	-	246
Puerto Rico	DEV	-	81	81	-	58	58	-	36	36	175
Qatar	EM	-	39	39	-	36	36	-	-	-	75

	EM vs. DEV Classification	KFC Division Franchise & License			Pizza Hut Division Franchise & License			Taco Bell Division Franchise & License			Total
		Company	License	Total	Company	License	Total	Company	License	Total	
Romania	EM	-	76	76	-	45	45	-	5	5	126
Russia	EM	42	701	743	-	64	64	-	-	-	807
(a) Saipan	DEV	-	1	1	-	1	1	-	-	-	2
Saudi Arabia	EM	-	220	220	-	223	223	-	-	-	443
Serbia	EM	-	8	8	-	-	-	-	-	-	8
Singapore	DEV	-	86	86	-	78	78	-	-	-	164
Slovakia	DEV	-	4	4	-	2	2	-	-	-	6
Slovenia	DEV	-	1	1	-	-	-	-	-	-	1
South Africa	EM	48	865	913	-	63	63	-	-	-	976
Spain	DEV	-	142	142	-	706	706	-	52	52	900
Sri Lanka	EM	-	39	39	-	59	59	-	3	3	101
StKitts	EM	-	1	1	-	-	-	-	-	-	1
StLucia	EM	-	4	4	-	-	-	-	-	-	4
StMaarten	DEV	-	3	3	-	-	-	-	-	-	3
StVincent	EM	-	2	2	-	-	-	-	-	-	2
Suriname	EM	-	6	6	-	2	2	-	-	-	8
Swaziland	EM	-	7	7	-	-	-	-	-	-	7
Sweden	DEV	-	8	8	-	23	23	-	-	-	31
Switzerland	DEV	-	4	4	-	8	8	-	-	-	12
Taiwan	DEV	-	153	153	-	233	233	-	-	-	386
Tanzania	EM	-	5	5	-	5	5	-	-	-	10
Thailand	EM	-	690	690	-	137	137	-	-	-	827
Trinidad	EM	-	58	58	-	10	10	-	-	-	68
Tunisia	EM	-	3	3	-	5	5	-	-	-	8
Turkey	EM	-	142	142	-	51	51	-	-	-	193
Uganda	EM	-	8	8	-	5	5	-	-	-	13
UK	DEV	49	856	905	38	632	670	-	35	35	1,610
Ukraine	EM	-	18	18	-	-	-	-	-	-	18
United Arab Emirates	EM	-	146	146	-	106	106	-	-	-	252
United States	DEV	55	4,019	4,074	24	7,432	7,456	462	6,126	6,588	18,118
USVI	DEV	-	5	5	-	1	1	-	-	-	6
Uzbekistan	EM	-	3	3	-	-	-	-	-	-	3
Venezuela	EM	-	25	25	-	9	9	-	-	-	34
Vietnam	EM	-	136	136	-	81	81	-	-	-	217
West Bank	EM	-	10	10	-	5	5	-	-	-	15
Zambia	EM	-	4	4	-	6	6	-	-	-	10
Zimbabwe	EM	-	6	6	-	2	2	-	-	-	8
TOTAL		324	22,297	22,621	62	18,369	18,431	470	6,602	7,072	48,124

Unit Count Summary:

Total Global EM Unit Count	EM	169	13,407	13,576	-	6,710	6,710	4	226	230	20,516
Total Global DEV Unit Count	DEV	155	8,890	9,045	62	11,640	11,702	466	6,376	6,842	27,589
Total Global Unit Count		324	22,297	22,621	62	18,350	18,412	470	6,602	7,072	48,105
		-	-	-	-	(19)	(19)	-	-	-	(19)

Market Count Summary:

Total Global EM Market Count	EM	3	94	94	-	72	72	1	14	14	97
Total Global DEV Market Count	DEV	3	42	42	2	39	39	2	13	13	48
Total Global Market Count		6	136	136	2	111	111	3	27	27	145

(a) - For PH, units physically located in Guam, Saipan, and Asia Military are managed by the US.

(b) - Countries entered into during Q4 (bolded represents addition to country count for global Yum): **Andorra (PH)**, Bolivia (PH), Nigeria (PH), Switzerland (PH)

- Countries exited during Q4 (bolded represents reduction to country count for global Yum): **Norway (PH)**, Colombia (TB)

(c) - Unit information for our Pizza Hut Division includes 1,282 units operating under the Telepizza brand as of December 31, 2018.

Notes to Historical Financial Summary

Note 1: Consult our filings with the Securities and Exchange Commission for additional details about our financial results.

Note 2: Non-GAAP financial results should not be considered replacements for, and should be read together with, the most comparable GAAP financial results. For full financial data and non-GAAP reconciliations, please refer to our filings with the Securities and Exchange Commission.

Note 3: Definitions of terms reflected in this summary are available at *investors.yum.com*.

Note 4: We have reclassified certain other items for the prior periods to be comparable with the classification for the quarter and year ended December 31, 2018.

Note 5: Unless otherwise noted, results include the impact of a 53rd week in our 2016 fiscal year.

Note 6: Beginning with the quarter ended March 31, 2018, we adopted Topic 606 – Revenues from Contracts with Customers using the modified retrospective method. Therefore, the comparative information for fiscal 2017 and prior years has not been adjusted and continues to be reported under our accounting policies related to revenue recognition prior to adopting Topic 606 ("Legacy GAAP"). As a result of the adoption of Topic 606, Operating Profit for the year ended December 31, 2018 was \$41 million lower than what would have been recognized under Legacy GAAP.

Note 7: On February 7, 2018 one of our subsidiaries entered into an investment agreement to purchase shares of Grubhub common stock. In the year ended December 31, 2018, we recognized pre-tax income of \$14 million, which reflects the appreciation in the market price of Grubhub common stock less valuation adjustments related to transfer restrictions on the shares.

Note 8: On December 30, 2018, the Company consummated a strategic alliance with Telepizza Group S.A. ("Telepizza") to be the master franchisee of Pizza Hut in Latin America and portions of Europe. As a result of the alliance we added 1,282 Telepizza units to our Pizza Hut Division unit count at December 31, 2018.