

addition, McDonald's unit volumes are higher than ours.

"And we are doing a bunch of things to accelerate the pace of innovation, particularly product innovation, and use consumers to drive up our unit volumes.

"We expect [KFC and Pizza Hut] to double in size over the next five years."

There are 560 KFC and 270 Pizza Hut restaurants in Australia, and Allan confirms he is on track to open 30 to 40 sites across both brands this year.

Allan, who has been running YRI for six years, says the division is the global growth engine of the parent company, and he expects system

sales from company-owned restaurants and royalties from franchised operations.

YRI's system sales reached \$14 billion in 2008, while operating profit reached \$528 million. Allan is tipping 7 per cent growth in system sales for YRI in 2009.

The former lawyer's accent shows he has lived outside Australia for more than 20 years, and while now Dallas-based, Allan calls London home.

He came to his position at YUM! in a roundabout way. Having started at law firm Corr & Corr, he lost a bid for Liberal preselection in the Victorian seat of Malvern in 1982. He worked in consulting before

the next five years.

"Although we so far have not seen a slowdown in development, I am apprehensive about the medium-term outlook for development. Not that we will grind to a halt, but we will be under pressure," he says.

"The amount of commercial development is going to be reduced. That will affect site availability for us."

The industry is changing, with traditional fast-food outlets offering more variety and healthier options.

Pizza Hut recently launched two new pasta dishes, while KFC is looking to launch new menu sides such as corn, salads and potato skins

to have another shot at the brand locally but is taking on other markets first.

Allan says Australia is known as a great talent pool, and his biggest challenge is preserving and attracting new talent.

There are two other Australians in top executive positions at YUM! Brands. Roger Eaton runs US KFC and Greg Creed runs US Taco Bell.

Allan says since his university days in the mid-1970s he never dreamed that one day he would be running part of the world's largest fast-food restaurant company.

"I never thought then, when I was studying at university, that I would be selling chicken and pizzas," he says.

resources. The Fort Cooper seams have a high gas content but there had been doubts about their ability to viably produce coal-seam gas because of their complex structure. Arrow said the seams are estimated to contain more than 20 trillion cubic feet or 21,050 petajoules of gas. Shares in Arrow leapt almost 10 per cent. **Paul Garvey**

## Dean joins Santos board

BlueScope Steel said Santos director Kenneth Dean would join its board from April 21. Mr Dean has been a director of Alcoa of Australia, Woodside Petroleum and Shell Australia. **Staff Reporter**

## No exercise for AGL

AGL Energy has confirmed it will walk away from a series of options that would have allowed it to acquire coal-seam gas and electricity generation assets in Queensland. It said yesterday it would not exercise either of the Lacerta/Polaris Coal Seam Gas or Condamine Power Station call options acquired by AGL in October. The options would have cost AGL Energy more than \$1 billion if exercised. **Staff Reporter**

## Dioro loss widens

Takeover target and gold miner Dioro Exploration has reported a small half-year loss, due partly to high operating costs, but said it had enough funds for the immediate future. Dioro posted a \$1.44 million loss for the six months to February 29, 2009, up from a loss of \$485,085 a year ago. **Wires**

# Top team ready to board Comet Ridge

**Paul Garvey**

The new-found star power of the men behind Sunshine Gas — one of last year's coal-seam gas sensations — will be revealed in Perth today when they are expected to be handed control of exploration minnow Comet Ridge.

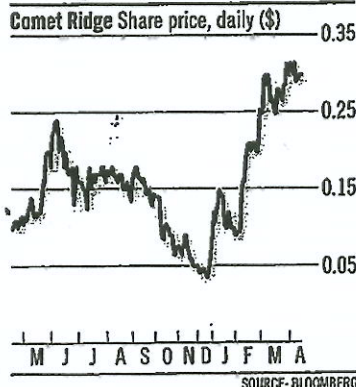
Tony Gilby, James McKay and Chris Pieters, who were all on the board of Sunshine until its \$812 million takeover by Queensland Gas last September, are expected to be appointed to the board of Comet Ridge at an extraordinary general meeting in Perth.

Comet Ridge shareholders are also expected to hand control of 55 per cent of the company to Chartwell Energy, a private group controlled by the Sunshine trio and their associates.

Chartwell chief executive Tor McCaul will join Comet Ridge as managing director.

News of the impending arrival of the new board has sent Comet Ridge shares soaring since the deal was announced in early February, with

## Sunny days



the stock climbing from 9¢ to as high as 34.5¢.

The surge in the value of Comet Ridge prompted the independent expert commissioned to examine the proposed transaction to warn that the deal was "not fair but may on balance be considered reasonable".

The share price run means the 128 million shares being issued to Chartwell under the deal are now

worth about \$38.4 million, up from the \$11.5 million value implied when the agreement was struck in early February.

Chartwell's key assets are \$8 million in cash and a series of early-stage coal-seam gas prospects across New Zealand.

An independent valuation of the New Zealand acreage by Langusch and Associates valued the prospects at between \$NZ1 million (\$808,545) and \$NZ33.9 million with a preferred value of \$NZ5.1 million.

Comet Ridge, meanwhile, holds coal-seam gas exploration assets in Queensland, NSW and the United States.

While Comet Ridge is down to its last \$350,000 in cash, executive chairman Jeff Schneider, who will stay on as a non-executive chairman, said the company had several recapitalisation options available to it when it decided on the merger.

"We were looking to increase our scale ... we needed to rebuild our people capability and we needed cash, and Chartwell was looking to

expand its asset base, it had people and it's got cash, so it was very much a one-plus-one-equals-three situation," Mr Schneider said.

Mr Gilby, who will join the Comet Ridge board in May, said his Chartwell colleagues would bring a new depth of technical experience to the junior company's board.

"Assuming we get all the votes and shareholders approve the merger, the way we will approach it is to have a review of all the assets of both Comet Ridge and Chartwell ... rank it all, prioritise and put the funds into the blocks we feel have greatest potential for near-term reserves," Mr Gilby said.

Mr Gilby was one of the biggest winners from last year's sale of Sunshine to QGC, collecting almost \$43 million from the sale of his stake in the explorer.

Sunshine was worth just \$1.15 a share last March before it was snapped up by QGC in a wave of consolidation. QGC's subsequent takeover by BG Group meant Sunshine shareholders eventually received as much as \$4.15 per share.

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