

## FRANCHISE DISCLOSURE DOCUMENT

**PIZZA HUT, INC.**  
**A California Corporation**  
**7100 Corporate Drive**  
**Plano, TX 75024-4100**  
**972-338-7700**  
**www.pizzahutfranchise.com**



The franchisee will operate a dine-in, delivery or delivery and carryout restaurant, offering primarily pizza, pasta and other Italian-style food items, under the name Pizza Hut (each, a "Restaurant"). The franchisee may acquire one or more existing Restaurants from Pizza Hut, Inc. ("PHI") or one or more of its subsidiaries, or may construct a new Restaurant.

The total investment necessary to begin operation of an existing Pizza Hut restaurant ranges from \$225,000 to \$1,025,000 or more, of a new Pizza Hut "Red Roof" dine-in restaurant (with or without delivery) ranges from \$852,000 to \$2,109,000, of a new Pizza Hut Freestanding "Delco" Delivery/Carryout restaurant ranges from \$545,000 to \$882,000, of a new Pizza Hut Inline/Endcap "Delco" Delivery/Carryout restaurant ranges from \$379,000 to \$528,000 and of a new Pizza Hut Inline/Endcap "Delco Lite" Delivery/Carryout restaurant ranges from \$297,000 to \$434,000, 459,000, in each case excluding real property and including \$25,000 that must be paid to the franchisor. If you sign one or more Development Agreements to develop new Restaurants, you must pay \$25,000 to \$50,000 for each additional Restaurant you agree to develop, which will, if you timely open the Restaurant, be applied to the \$25,000 initial franchise fee that you must pay to the franchisor for the operation of a Restaurant (see above). If you do not do this, the franchisor keeps the fee.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the PHI Law Department at 7100 Corporate Drive, Plano, Texas 75024-4100 at 972-338-7700.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant. Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to

Buying a Franchise,” which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.  
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## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, or about franchising in your state.

**MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.**

Please consider the following RISK FACTORS before you buy this franchise.

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN COLLIN COUNTY, TEXAS AND THE DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN COLLIN COUNTY, TEXAS OR ANY OTHER COUNTY OR DISTRICT IN WHICH WE THEN HAVE OUR PRINCIPAL PLACE OF BUSINESS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN COLLIN COUNTY, TEXAS (OR IN ANOTHER COUNTY OR DISTRICT WHERE WE THEN HAVE OUR PRINCIPAL PLACE OF BUSINESS) THAN IN YOUR OWN STATE. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
2. AS NOTED IN THE FINANCIAL STATEMENTS IN RESPONSE TO ITEM 21 OF THIS DISCLOSURE DOCUMENT, AS OF ~~DECEMBER 28 2013~~, December 27, 2014, THE FRANCHISOR'S CORPORATE PARENT (YUM! BRANDS, INC.) HAD A WORKING CAPITAL DEFICIENCY OF ~~\$574,000,000~~ 765,000,000. PLEASE BEAR THIS IN MIND WHEN FORMING YOUR INVESTMENT DECISION.
3. YOU WILL NOT BE GRANTED ANY EXCLUSIVE TERRITORY.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

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