

YUM BRANDS INC
Form 10-Q
July 24, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 for the quarterly period ended June 16, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-13163

YUM! BRANDS, INC.
(Exact name of registrant as specified in its charter)

North Carolina
(State or other jurisdiction of
incorporation or organization)

13-3951308
(I.R.S. Employer
Identification No.)

1441 Gardiner Lane, Louisville, Kentucky
(Address of principal executive offices)

40213
(Zip Code)

Registrant's telephone number, including area code: (502) 874-8300

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer: Accelerated filer:

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Non-accelerated filer: Smaller reporting company:

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No [ü]

The number of shares outstanding of the Registrant's Common Stock as of July 17, 2012 was 455,850,070 shares.

YUM! BRANDS, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

YUM! BRANDS, INC. AND SUBSIDIARIES

(in millions, except per share data)

	Quarter ended		Year to Date	
	6/16/2012	6/11/2011	6/16/2012	6/11/2011
Revenues				
Company sales	\$2,762	\$2,431	5,106	\$4,482
Franchise and license fees and income	406	385	805	759
Total revenues	3,168	2,816	5,911	5,241
Costs and Expenses, Net				
Company restaurants				
Food and paper	916	792	1,683	1,454
Payroll and employee benefits	623	548	1,136	1,009
Occupancy and other operating expenses	800	705	1,424	1,273
Company restaurant expenses	2,339	2,045	4,243	3,736
General and administrative expenses	346	308	618	563
Franchise and license expenses	26	33	52	63
Closures and impairment (income) expenses	4	19	5	88
Refranchising (gain) loss	(13	) 5	(39	) 3
Other (income) expense	(7	) (13	) (86	) (32
Total costs and expenses, net	2,695	2,397	4,793	4,421
Operating Profit	473	419	1,118	820
Interest expense, net	38	35	75	78
Income Before Income Taxes	435	384	1,043	742
Income tax provision	102	62	249	153
Net Income – including noncontrolling interests	333	322	794	589
Net Income – noncontrolling interests	2	6	5	9
Net Income – YUM! Brands, Inc.	\$331	\$316	\$789	\$580
Basic Earnings Per Common Share	\$0.71	\$0.67	\$1.70	\$1.23
Diluted Earnings Per Common Share	\$0.69	\$0.65	\$1.65	\$1.20
Dividends Declared Per Common Share	\$0.285	\$0.50	\$0.57	\$0.50

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
YUM! BRANDS, INC. AND SUBSIDIARIES
(in millions)

	Quarter ended		Year to Date		
	6/16/2012	6/11/2011	6/16/2012	6/11/2011	
Net income - including noncontrolling interests	\$ 333	\$ 322	\$ 794	\$ 589	
Other comprehensive income, net of tax					
Foreign currency translation adjustment	(33	) 70	(17	) 124
Reclassification of pension and post-retirement losses to net income	16	9	31	16	
Net unrealized gain (loss) on derivative instruments	1	1	—	1	
Tax on other comprehensive income	(4) (3) (12) (11)
Other comprehensive income, net of tax	(20	) 77	2	130
Comprehensive income - including noncontrolling interests	313	399	796	719	
Comprehensive income - noncontrolling interests	—	8	3	11	
Comprehensive Income - Yum! Brands, Inc.	\$ 313	\$ 391	\$ 793	\$ 708	

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
YUM! BRANDS, INC. AND SUBSIDIARIES
(in millions)

	Year to date	
	6/16/2012	6/11/2011
Cash Flows – Operating Activities		
Net Income – including noncontrolling interests	\$ 794	\$ 589
Depreciation and amortization	279	269
Closures and impairment (income) expenses	5	88
Refranchising (gain) loss	(39)	) 3
Contributions to defined benefit pension plans	(43)	) (11)
Gain upon acquisition of Little Sheep	(74)) —
Deferred income taxes	(10)	) (48)
Equity income from investments in unconsolidated affiliates	(22)	) (27)
Distributions of income received from unconsolidated affiliates	15	16
Excess tax benefits from share-based compensation	(46)	) (22)
Share-based compensation expense	23	26
Changes in accounts and notes receivable	16	9
Changes in inventories	14	20
Changes in prepaid expenses and other current assets	(9)	) (23)
Changes in accounts payable and other current liabilities	(118)	) (71)
Changes in income taxes payable	70	72
Other, net	69	33
Net Cash Provided by Operating Activities	924	923
Cash Flows – Investing Activities		
Capital spending	(406)	) (330)
Proceeds from refranchising of restaurants	132	49
Acquisitions	(542)	) (1)
Changes in restricted cash	300	(300)
Increase in short-term investments	(82)) —
Other, net	2	3
Net Cash Used in Investing Activities	(596)	) (579)
Cash Flows – Financing Activities		
Repayments of long-term debt	(15)	) (658)
Revolving credit facilities, three months or less, net	—	350
Repurchase shares of Common Stock	(289)	) (319)
Excess tax benefits from share-based compensation	46	22
Employee stock option proceeds	22	22
Dividends paid on Common Stock	(262)	) (234)
Other, net	(41)	) (23)
Net Cash Used in Financing Activities	(539)	) (840)
Effect of Exchange Rates on Cash and Cash Equivalents	(3)	) 25
Net Increase (Decrease) in Cash and Cash Equivalents	(214)	) (471)
Cash and Cash Equivalents - Beginning of Period	1,198	1,426
Cash and Cash Equivalents - End of Period	\$ 984	\$ 955

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS
YUM! BRANDS, INC. AND SUBSIDIARIES
(in millions)

	(Unaudited)	
	6/16/2012	12/31/2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$984	\$1,198
Accounts and notes receivable, net	323	286
Inventories	305	273
Prepaid expenses and other current assets	390	338
Deferred income taxes	125	112
Advertising cooperative assets, restricted	104	114
Total Current Assets	2,231	2,321
Property, plant and equipment, net	4,102	4,042
Goodwill	1,010	681
Intangible assets, net	733	299
Investments in unconsolidated affiliates	42	167
Restricted cash	—	300
Other assets	512	475
Deferred income taxes	547	549
Total Assets	\$9,177	\$8,834
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	\$1,770	\$1,874
Income taxes payable	123	142
Short-term borrowings	316	320
Advertising cooperative liabilities	104	114
Total Current Liabilities	2,313	2,450
Long-term debt	2,995	2,997
Other liabilities and deferred credits	1,597	1,471
Total Liabilities	6,905	6,918
Redeemable noncontrolling interest	45	—
Shareholders' Equity		
Common Stock, no par value, 750 shares authorized; 458 and 460 shares issued in 2012 and 2011, respectively	—	18
Retained earnings	2,378	2,052
Accumulated other comprehensive income (loss)	(243)	(247)
Total Shareholders' Equity – YUM! Brands, Inc.	2,135	1,823
Noncontrolling interests	92	93
Total Shareholders' Equity	2,227	1,916
Total Liabilities, Redeemable Noncontrolling Interest and Shareholders' Equity	\$9,177	\$8,834

See accompanying Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(Tabular amounts in millions, except per share data)

Note 1 - Financial Statement Presentation

We have prepared our accompanying unaudited Condensed Consolidated Financial Statements (“Financial Statements”) in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by Generally Accepted Accounting Principles in the United States (“GAAP”) for complete financial statements. Therefore, we suggest that the accompanying Financial Statements be read in conjunction with the Consolidated Financial Statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2011 (“2011 Form 10-K”). Except as disclosed herein, there has been no material change in the information disclosed in our Consolidated Financial Statements included in the 2011 Form 10-K.

YUM! Brands, Inc. and Subsidiaries (collectively referred to as “YUM” or the “Company”) is comprised primarily by the worldwide operations of KFC, Pizza Hut and Taco Bell (collectively the “Concepts”). References to YUM throughout these Notes to our Financial Statements are made using the first person notations of “we,” “us” or “our.”

YUM’s business consists of four reporting segments: YUM Restaurants China (“China” or “China Division”), YUM Restaurants International (“YRI” or “International Division”), United States (“U.S.” or “U.S. Division”) and YUM Restaurants India (“India” or “India Division”). The China Division includes mainland China and the India Division includes India, Bangladesh, Mauritius, Nepal and Sri Lanka. YRI includes the remainder of our international operations.

Beginning the first quarter of 2012, our India Division is being reported as a standalone reporting segment separate from YRI as a result of changes to our management reporting structure. While our consolidated results are not impacted, our historical segment information has been restated to be consistent with the current period presentation.

Our fiscal year ends on the last Saturday in December and, as a result, a 53rd week is added every five or six years. The first three quarters of each fiscal year consist of 12 weeks and the fourth quarter consists of 16 weeks in fiscal years with 52 weeks and 17 weeks in fiscal years with 53 weeks. Our subsidiaries operate on similar fiscal calendars except that certain international subsidiaries operate on a monthly calendar, with two months in the first quarter, three months in the second and third quarters and four months in the fourth quarter. Our international subsidiaries that operate on a monthly calendar, including China and India, are not impacted by the addition of a 53rd week. Certain of our international businesses close one period or one month earlier to facilitate consolidated reporting.

Our preparation of the accompanying Financial Statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

In our opinion, the accompanying Financial Statements include all normal and recurring adjustments considered necessary to present fairly, when read in conjunction with our 2011 Form 10-K, our financial position as of June 16, 2012, and the results of our operations and comprehensive income for the quarters and years to date ended June 16, 2012 and June 11, 2011, and cash flows for the years to date ended June 16, 2012 and June 11, 2011. Our results of operations, comprehensive income and cash flows for these interim periods are not necessarily indicative of the results to be expected for the full year.

Our significant interim accounting policies include the recognition of certain advertising and marketing costs, generally in proportion to revenue, and the recognition of income taxes using an estimated annual effective tax rate.

Note 2 - Earnings Per Common Share (“EPS”)

	Quarter ended		Year to date	
	6/16/2012	6/11/2011	6/16/2012	6/11/2011
Net Income – YUM! Brands, Inc.	\$331	\$316	\$789	\$580
Weighted-average common shares outstanding (for basic calculation)	465	471	465	472
Effect of dilutive share-based employee compensation	12	13	13	13
Weighted-average common and dilutive potential common shares outstanding (for diluted calculation)	477	484	478	485
Basic EPS	\$0.71	\$0.67	\$1.70	\$1.23
Diluted EPS	\$0.69	\$0.65	\$1.65	\$1.20
Unexercised employee stock options and stock appreciation rights (in millions) excluded from the diluted EPS computation ^(a)	3.5	4.7	2.7	3.5

^(a) These unexercised employee stock options and stock appreciation rights were not included in the computation of diluted EPS because to do so would have been antidilutive for the periods presented.

Note 3 - Shareholders' Equity

Under the authority of our Board of Directors, we repurchased shares of our Common Stock during the years to date ended June 16, 2012 and June 11, 2011, as indicated below. All amounts exclude applicable transaction fees.

Authorization Date	Authorization Expiration Date	Shares Repurchased (thousands)		Dollar Value of Shares Repurchased		Remaining Dollar Value of Shares that may be Repurchased
		2012	2011	2012	2011	2012
March 2010	March 2011	—	3,441	\$—	\$171	\$—
January 2011	June 2012	2,787	2,620	188	137	—
November 2011	May 2013	1,528	—	101	—	649
Total		4,315	6,061	\$289	\$308	\$649

^(a) Amount excludes the effect of \$19 million in share repurchases (0.4 million shares) with trade dates prior to the 2010 fiscal year end but cash settlement dates subsequent to the 2010 fiscal year end and includes the effect of \$8 million in share repurchases (0.1 million shares) with trade dates prior to June 11, 2011 but with settlement dates subsequent to June 11, 2011.

Note 4 - Items Affecting Comparability of Net Income and/or Cash Flows

Little Sheep Acquisition

On February 1, 2012 we acquired an additional 66% interest in Little Sheep Group Limited (“Little Sheep”) for \$540 million, net of cash acquired of \$44 million, increasing our ownership to 93%. The acquisition was driven by our strategy to build leading brands across China in every significant category. Prior to our acquisition of this additional interest, our 27% interest in Little Sheep was accounted for under the equity method of accounting. As a result of the acquisition we obtained voting control of Little Sheep, and thus we began consolidating Little Sheep upon acquisition. As required by GAAP, we remeasured our previously held 27% ownership in Little Sheep, which had a recorded value of \$107 million at the date of acquisition, at fair value based on Little Sheep's traded share price immediately prior to our offer to purchase the business and recognized a non-cash gain of \$74 million. This gain, which resulted in no related income tax expense, was recorded in Other (income) expense on our Condensed Consolidated Statement of Income during the quarter ended March 24, 2012 and was not allocated to any segment for performance reporting purposes.

We recorded the following assets acquired and liabilities assumed upon acquisition of Little Sheep as a result of our preliminary purchase price allocation:

Current assets, including cash of \$44	\$ 113
Property, plant and equipment	68
Goodwill	332
Intangible assets, including indefinite-lived trademark of \$428	452
Other assets	33
Total assets acquired	998
Deferred taxes	118
Other liabilities	54
Total liabilities assumed	172
Redeemable noncontrolling interest	45
Other noncontrolling interests	16
Net assets acquired	\$ 765

As part of the acquisition, YUM granted an option to the shareholder that holds the remaining 7% ownership interest in Little Sheep that would require us to purchase their remaining shares owned upon exercise. This noncontrolling interest has been recorded as a Redeemable noncontrolling interest in the Condensed Consolidated Balance Sheet. The Redeemable noncontrolling interest is reported at its fair value of \$45 million at the date of acquisition, which is based on the Little Sheep traded share price immediately prior to our offer to purchase the additional interest.

Goodwill recorded results from the value expected to be generated from applying YUM's processes and knowledge in China to the Little Sheep business. The goodwill is not expected to be deductible for income tax purposes and has been allocated to the China segment as a separate reporting unit.

Under the equity method of accounting, we previously reported our 27% share of the net income of Little Sheep as Other (income) expense in the Consolidated Statements of Income. From the date of the acquisition, we have reported the results of operations for the entity in the appropriate line items of our Consolidated Statement of Income. We no longer report Other (income) expense as we did under the equity method of accounting. Net income attributable to our partner's ownership percentage is recorded as Net Income - noncontrolling interest. Little Sheep reports on a one month lag, and as a result, their consolidated results are included in the China Division from the beginning of the

quarter ended June 16, 2012. The consolidation of Little Sheep increased China Division revenues by 4% and 2% for the quarter and year to date ended June 16, 2012 versus the prior periods, respectively. Other than the \$74 million non-cash gain discussed above, the consolidation of Little Sheep was not significant to Operating Profit or Net Income - YUM! Brands, Inc. for the quarter and year to date ended June 16, 2012.

The pro forma impact on our results of operations if the acquisition had been completed as of the beginning of 2011 would not have been significant

LJS and A&W Divestitures

During the fourth quarter of 2011 we sold the Long John Silver's ("LJS") and A&W All American Food Restaurants ("A&W") brands to key franchise leaders and strategic investors in separate transactions. During the quarter ended March 19, 2011, we recognized \$68 million of pre-tax losses and other costs primarily in Closures and impairment (income) expenses as a result of our decision to sell these businesses. In the full year 2011, these businesses contributed 5% and 1% to Franchise and license fees and income for the U.S. and YRI segments, respectively. While these businesses contributed 1% to both the U.S. and YRI segments' Operating Profit in full year 2011, the impact on our consolidated Operating Profit was not significant.

Refranchising (Gain) Loss

The Refranchising (gain) loss by reportable segment is presented below. We do not allocate such gains and losses to our segments for performance reporting purposes.

	Quarter ended		Year to date	
	6/16/2012	6/11/2011	6/16/2012	6/11/2011
China	\$(2)	\$(2)	\$(4)	\$(3)
YRI ^(a)	(2)	(1)	19	(1)
U.S. ^(b)	(9)	8	(54)	7
India	—	—	—	—
Worldwide	\$(13)	\$5	\$(39)	\$3

During the quarter ended September 3, 2011, we decided to rebrand or close all of our remaining company operated Pizza Hut dine-in restaurants in the UK market. While the asset group comprising approximately 350 stores we anticipate selling did not meet the criteria for held for sale classification as of September 3, 2011, our decision to sell was considered an impairment indicator. As such we reviewed the asset group for potential impairment and determined that its carrying value was not fully recoverable based upon our estimate of expected rebranding proceeds and holding period cash flows anticipated while we continue to operate the restaurants as (a) company units. Accordingly, we wrote the asset group down to our estimate of its fair value, which was based on the sales price we would expect to receive from a buyer. This fair value determination considered current market conditions, trends in the Pizza Hut UK business, and prices for similar transactions in the restaurant industry and resulted in a non-cash write down of \$74 million which was recorded to Refranchising (gain) loss. The decision to rebrand or close all remaining Pizza Hut dine-in restaurants in the UK was considered to be a goodwill impairment indicator. We determined that the fair value of our Pizza Hut UK reporting unit exceeded its carrying value and as such there was no goodwill impairment.

Based on bids received in 2012, we recorded an additional non-cash pre-tax impairment charge of \$20 million to Refranchising (gain) loss in the quarter ended March 24, 2012. While we continue to market the Pizza Hut dine-in restaurants in the UK for sale, the asset group continues not to meet all of the held for sale criteria as of June 16, 2012.

These impairment charges decreased depreciation expense versus what would have otherwise been recorded by \$3 million and \$6 million for the quarter and year to date ended June 16, 2012, respectively. Neither the impairment charges nor the depreciation reduction were allocated to the YRI segment, resulting in depreciation expense in the YRI segment results continuing to be recorded at the rate at which it was prior to these impairment charges being recorded for these restaurants.

(b) In the quarter and year to date ended June 16, 2012, U.S. Refranchising (gain) loss primarily relates to gains on the sales of Taco Bell restaurants.

Store Closure and Impairment Activity

Store closure (income) costs and Store impairment charges by reportable segment are presented below. This table excludes \$66 million of net losses recorded in the year to date ended June 11, 2011 related to the decision to divest the LJS and A&W businesses. This amount was not allocated to segments for performance reporting purposes.

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	Quarter ended June 16, 2012				
	China	YRI	U.S.	India	Worldwide
Store closure (income) costs ^(a)	\$ (2)) \$ (2)) \$ (1)) \$ —) \$ (5)
Store impairment charges	4	1	4	—	9
Closure and impairment (income) expenses	\$ 2	\$ (1)	) \$ 3	\$ —	\$ 4
	Quarter ended June 11, 2011				
	China	YRI	U.S.	India	Worldwide
Store closure (income) costs ^(a)	\$ —	\$ —	\$ 2	\$ —	\$ 2
Store impairment charges	3	7	7	—	17
Closure and impairment (income) expenses	\$ 3	\$ 7	\$ 9	\$ —	\$ 19
	Year to date ended June 16, 2012				
	China	YRI	U.S.	India	Worldwide
Store closure (income) costs ^(a)	\$ (2)	) \$ (2)	) \$ (2)	) \$ —	) \$ (6)
Store impairment charges	5	2	4	—	11
Closure and impairment (income) expenses	\$ 3	\$ —	\$ 2	\$ —	\$ 5
	Year to date ended June 11, 2011				
	China	YRI	U.S.	India	Worldwide
Store closure (income) costs ^(a)	\$ (1)	) \$ 1	\$ 3	\$ —	\$ 3
Store impairment charges	4	8	7	—	19
Closure and impairment (income) expenses	\$ 3	\$ 9	\$ 10	\$ —	\$ 22

Store closure (income) costs include the net gain or loss on sales of real estate on which we formerly operated a Company restaurant that was closed, lease reserves established when we cease using a property under an operating lease and subsequent adjustments to those reserves and other facility-related expenses from previously closed stores.

Note 5 - Recently Adopted Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (Topic 820) - Fair Value Measurement (ASU 2011-04), to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for level 3 fair value measurements. ASU 2011-04 was effective for the Company in the first quarter of fiscal 2012. The measurement provisions of this ASU did not impact our financial statements and all necessary disclosures have been complied with in these Financial Statements.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, Comprehensive Income (Topic 220)-Presentation of Comprehensive Income (ASU 2011-05), to require an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of equity. ASU 2011-05 was effective for the Company in its first quarter of fiscal 2012 and applied retrospectively. All necessary disclosures have been complied with in these Financial Statements.

Note 6 - Other (Income) Expense

	Quarter ended		Year to date	
	6/16/2012	6/11/2011	6/16/2012	6/11/2011
Equity income from investments in unconsolidated affiliates	\$ (9)	\$ (11)	\$ (22)	\$ (27)
Gain upon acquisition of Little Sheep	—	—	(74)	—
Foreign exchange net (gain) loss and other ^(a)	2	(2)	10	(5)
Other (income) expense	\$ (7)	\$ (13)	\$ (86)	\$ (32)

^(a) Includes \$6 million for the year to date ended June 16, 2012 of deal costs related to the acquisition of Little Sheep that were allocated to the China Division for performance reporting purposes.

Note 7 - Supplemental Balance Sheet Information

Receivables

The Company's receivables are primarily generated as a result of ongoing business relationships with our franchisees and licensees as a result of royalty and lease agreements. Trade receivables consisting of royalties from franchisees and licensees are generally due within 30 days of the period in which the corresponding sales occur and are classified as Accounts and notes receivable on our Condensed Consolidated Balance Sheets.

	6/16/2012	12/31/2011
Accounts and notes receivable	\$343	\$308
Allowance for doubtful accounts	(20)	(22)
Accounts and notes receivable, net	\$323	\$286

Property, Plant and Equipment

	6/16/2012	12/31/2011
Property, plant and equipment, gross	\$7,358	\$7,267
Accumulated depreciation and amortization	(3,256)	(3,225)
Property, plant and equipment, net	\$4,102	\$4,042

Assets held for sale at June 16, 2012 and December 31, 2011 total \$16 million and \$24 million, respectively, and are included in Prepaid e