

YUM BRANDS INC  
Form 11-K  
June 29, 2015

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF  
1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER: 1-13163

A. FULL TITLE OF THE PLAN AND THE ADDRESS OF THE PLAN, IF DIFFERENT FROM THAT OF THE  
ISSUER  
NAMED BELOW:

YUM! BRANDS 401(K) PLAN

B. NAME OF ISSUER OF THE SECURITIES HELD PURSUANT TO THE PLAN AND THE  
ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICE:

YUM! BRANDS, INC.  
1441 GARDINER LANE  
LOUISVILLE, KENTUCKY 40213

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YUM! BRANDS 401(k) PLAN

Financial Statements and Supplemental Schedule

December 31, 2014 and 2013

(With Report of Independent Registered Public Accounting Firm Thereon)

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YUM! BRANDS 401(k) PLAN

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Report of Independent Registered Public Accounting Firm

Plan Administrator and Participants of the YUM! Brands 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of the YUM! Brands 401(k) Plan (the Plan) as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

The supplemental information in the accompanying schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan's 2014 financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2014 is fairly stated in all material respects in relation to the 2014 financial statements as a whole.

/s/ KPMG LLP  
Louisville, Kentucky  
June 29, 2015

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YUM! BRANDS 401(k) PLAN  
 Statements of Net Assets Available for Benefits  
 December 31, 2014 and 2013  
 (In thousands)

	2014	2013
Assets:		
Investments:		
Investments, at fair value:		
YUM! Stock	\$200,382	\$229,345
Common/commingled trusts	401,046	383,677
Self-directed brokerage	7,965	8,211
Total investments	609,393	621,233
Receivables:		
Participant loans	10,321	10,072
Interest and dividends	58	52
Due from broker for sale of investments	543	641
Total receivables	10,922	10,765
Total assets	620,315	631,998
Liabilities:		
Accrued fees and other liabilities	(267	) (262
Total liabilities	(267	) (262
Net assets available for benefits at fair value	\$620,048	\$631,736
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(814	) (589
Net assets available for benefits	\$619,234	\$631,147

See accompanying notes to financial statements.

YUM! BRANDS 401(k) PLAN  
 Statements of Changes in Net Assets Available for Benefits  
 Years ended December 31, 2014 and 2013  
 (In thousands)

	2014		2013
Investment income:			
Net appreciation (depreciation) in fair value of investments:			
YUM! Stock	\$(7,576	)	\$30,121
Common/commingled trusts	24,165		66,182
Self-directed brokerage	355		1,051
Interest	412		416
Dividends	4,408		4,615
	21,764		102,385
Less investment expenses	(707	)	(658
Net investment income	21,057		101,727
Contributions:			
Participant	21,404		21,752
Employer	12,330		12,217
Total contributions	33,734		33,969
Deductions from net assets attributed to:			
Benefits paid to participants	(66,704	)	(83,469
Net (decrease) increase in net assets	(11,913	)	52,227
Net assets available for benefits:			
Beginning of period	631,147		578,920
End of period	\$619,234		\$631,147

See accompanying notes to financial statements.

YUM! BRANDS 401(k) PLAN  
Notes to Financial Statements  
December 31, 2014 and 2013  
(Tabular amounts in thousands)

(1) Summary Plan Description

The following description of the YUM! Brands 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

YUM! Brands, Inc. (the Company) adopted the Plan effective October 7, 1997. Any employee within a group or class so designated by the Plan document is eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act, as amended (ERISA).

The investments of the Plan are maintained in a trust (the Trust) by State Street Bank and Trust Company (the Trustee) who has been appointed as Trustee by the Plan. The Trustee is responsible for the management and control of the Plan's assets. Voya Institutional Plan Services, LLC and T.D. Ameritrade Institutional serve as recordkeepers for the Plan.

On October 1, 2001, the Plan was amended to adopt a safe harbor matching contribution, in accordance with Internal Revenue Code (IRC) section 401(k)(12)(B).

(b) Contributions

Each participant in the Plan may elect to contribute up to 75% of eligible earnings, as defined in the Plan document. The maximum pre-tax annual contribution allowed for calendar years 2014 and 2013 was \$17,500.

Eligible participants receive a matching contribution from the Company that is equal to 100% of such salary deferral contribution that does not exceed 6% of the participant's eligible pay. Participants direct the investment of contributions into various investment options offered by the Plan. The Company may also make discretionary contributions to the Plan. No discretionary contributions were made by the Company during 2014 or 2013.

The Plan allows eligible participants to make additional tax-deferred contributions. Participants eligible to make additional tax-deferred contributions must be 50 years or older by the end of the calendar year in which they want to make the additional tax-deferred contribution. These contributions are made in the same manner as salary deferral contributions and are deposited in the participant's salary deferral account. These contributions are not subject to the eligible earnings limitation as defined by the Plan. Thus, a participant can contribute more than their eligible earnings of pay to the extent needed to make an additional tax-deferred contribution. The 2014 and 2013 annual ERISA limits on these contributions were \$5,500. Additional tax-deferred contributions are not eligible for Company matching contributions.

(c) Investment Options

YUM! Stock Fund

This fund pools participants' contributions to buy shares of the Company's Common Stock. The fund also holds short-term investments to provide the fund with liquidity to make distributions. The fund is paid cash dividends from its investments in the Company's Common Stock, which are used to purchase additional shares of the Company's Common Stock.



YUM! BRANDS 401(k) PLAN  
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(Tabular amounts in thousands)

#### Stable Value Fund

The Stable Value Fund invests in a diversified portfolio of stable value contracts issued by insurance companies, banks and other financial institutions. The Stable Value Fund utilizes high-quality fixed income securities wrapped by a contract issued by an insurance company, bank or other financial institution.

#### Large Company Index Fund

The Fund invests in all stocks in the Standard and Poor's ("S&P") 500 Index in proportion to their weighting in the S&P 500 Index. The Fund may also hold futures contracts (an agreement to buy or sell a specific security by a specific date at an agreed upon price).

#### Bond Market Index Fund

The Fund invests primarily in government, corporate, mortgage-backed and asset-backed securities. The Fund invests in a well-diversified portfolio that is representative of the broad domestic bond market.

#### Mid-sized Company Index Fund

The Fund invests in all 400 stocks in the S&P MidCap 400 Index (MidCap Index) in proportion to their weighting in the MidCap Index. The Fund may also hold futures contracts.

#### Small Company Index Fund

The Fund attempts to invest in all 2,000 stocks in the Russell 2000 Index (Russell Index) in proportion to their weighting in the Russell Index. The Fund may also hold futures contracts.

#### International Index Fund

The Fund typically invests in all the stocks in the Morgan Stanley Capital International Europe, Australasia, and Far East Index (International Index) in proportion to their weighting in the International Index.

#### YUM! Retirement Date Funds

The Funds invest in a diversified selection of investments with the asset mix for each fund designed to provide an appropriate combination of risk and growth potential based on an expected retirement date. The Funds investments may include U.S. large cap stocks, U.S. small and mid cap stocks, international stocks, global Real Estate Investment Trusts, intermediate bonds, inflation-protected securities and high quality short duration bonds.

All investments, with the exception of the YUM! Stock Fund and self-directed brokerage accounts, are classified as common/commingled trusts.

Self-directed Brokerage Account ("SDBA")

The SDBA is a brokerage option that lets participants invest in a broad range of individual stocks, bonds, certificates of deposit, exchange traded funds and mutual funds.

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YUM! BRANDS 401(k) PLAN  
Notes to Financial Statements  
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(d) Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations of Plan earnings and administrative expenses are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

(e) Participant Loans

The Plan has a loan program for participants. The maximum amount a participant may borrow, when aggregated with all other outstanding loans of the participant, is the lesser of: a) 50% of the participant's vested interest under the Plan; b) \$50,000 reduced by the excess of the highest outstanding loan balance during the preceding one-year period ending on the day prior to the date the loan was made, over the outstanding balance of loans on the date the loan was made; c) 100% of the value of the participant's investment in certain funds; or d) the maximum loan amount that can be amortized by the participant's net pay. Loans are generally outstanding for up to four years. The fixed interest rate for loans is based on the prime rate as of the last day of the month before the loan request plus 1%. A participant may have up to two loans outstanding from the Plan at any time. A one-time loan origination fee is charged to those participants who obtain a loan. Interest on loans is allocated to each of the funds based upon the participant's investment election percentages. For each month or part thereof the loan remains outstanding, the borrowing participant may be assessed a monthly administration fee. Generally, any loans outstanding shall become immediately due and payable in full if the participant's employment is terminated. Principal and interest is paid ratably through monthly payroll deductions.

As required by Section 526 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, no interest rate shall be more than 6% for the loan of any participant during the period that the participant is serving in the United States military. This limit includes traditional interest and any other service charge or other fee with respect to the loan.

The loans are secured by the balance in the participant's account. Outstanding loans bear interest at 4.25% with maturity dates ranging from 2015 to 2018 as of December 31, 2014.

(f) Vesting

Participants are fully vested in the entire value of their accounts upon contribution, including the Company matching contribution.

(g) Payment of Benefits

Distributions under the Plan are made upon a participant's death, disability, retirement, hardship or termination of employment. Benefit payments are made in the form of a lump sum cash amount or in kind distribution. An in kind distribution is limited to the Participant's interest in the Company's Common Stock and certain securities held in the Self-directed Brokerage funds.

(h) Termination









































