

YUM BRANDS INC  
Form 11-K  
October 15, 2008

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

OR

TRANSITION REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM October 1, 2007 to December 31, 2007

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, 2007 and September 30, 2007

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YUM! BRANDS 401(k) PLAN

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YUM! BRANDS 401(k) PLAN  
 Statements of Net Assets Available for Benefits  
 December 31, 2007 and September 30, 2007  
 (Unaudited)  
 (In thousands)

	December 31, 2007	September 30, 2007
Assets:		
Investments:		
Investments, at fair value:		
YUM! Stock Fund	\$ 210,987	\$ 189,566
Investment in common/commingled trusts	239,934	242,762
Self-directed Brokerage	7,163	7,123
Participant loans	16,156	15,151
Total investments	474,240	454,602
Receivables:		
Participants' contributions	859	301
Employer contributions	406	176
Interest and dividends	198	162
Total receivables	1,463	639
Cash and cash equivalents	4,168	3,013
Total assets	479,871	458,254
Liabilities:		
Other liabilities	(35)	(48)
Total liabilities	(35)	(48)
Net assets available for benefits at fair value	\$ 479,836	\$ 458,206
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	991	1,000
Net assets available for benefits	\$ 480,827	\$ 459,206

See accompanying notes to financial statements.

YUM! BRANDS 401(k) PLAN  
 Statements of Changes in Net Assets Available for Benefits  
 For the transition period from October 1, 2007 through December 31, 2007  
 and the Year Ended September 30, 2007  
 (Unaudited)  
 (In thousands)

	Period from October 1, 2007 through December 31, 2007	Year Ended September 30, 2007
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 20,956	\$ 74,990
Interest	371	1,273
Dividends	837	2,584
Other	(45)	908
	22,119	79,755
Less investment expenses	(112)	(389)
Total investment income	22,007	79,366
Contributions:		
Participant	7,267	29,667
Employer	3,101	11,822
	10,368	41,489
Total additions	32,375	120,855
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	(10,754)	(46,039)
Total deductions	(10,754)	(46,039)
Net increase in net assets	21,621	74,816
Net assets available for benefits:		
Beginning of year	459,206	384,390
End of year	\$ 480,827	\$ 459,206

See accompanying notes to financial statements.

YUM! BRANDS 401(k) PLAN  
Notes to Financial Statements  
For the Transition Period from October 1, 2007 through December 31, 2007  
and the Year Ended September 30, 2007  
(Unaudited)  
(Tabular amounts in thousands)

(1) Change in Plan Year

Effective October 1, 2007, YUM! Brands, Inc. (the Company) has changed the YUM! Brands 401(k) Plan (the Plan) year end from September 30 to December 31. Accordingly, the accompanying financial statements consist of the statements of net assets available for benefits as of December 31, 2007 and September 30, 2007, and the related statements of changes in net assets available for benefits for the three month transition period from October 1, 2007 to December 31, 2007 (the Transition Period) and the year ended September 30, 2007.

(2) Summary Plan Description

The following description of 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

The Company adopted the Plan effective October 7, 1997 as a result of the spin-off of the Company from PepsiCo, Inc. The Plan is a successor of the PepsiCo Long Term Savings Program. 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 Plan has appointed State Street Investor Services as the trustee and CitiStreet Institutional and Total Benefits Outsourcing Divisions as the recordkeeper for the Plan. The trustee is responsible for the management and control of the Plan's assets.

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

The investments of the Plan are maintained in a trust (the Trust) by State Street Investor Services (the Trustee).

(b) Contributions

Each participant in the Plan may elect to contribute any amount, not to exceed 25% of eligible earnings, as defined in the Plan document. The maximum pre-tax contribution a