

year.

"This will set them back a little bit. If those (bird flu casualty) numbers go up, then the impact could be longer," said Edward Jones analyst Jack Russo.

Sales at Yum's China restaurants open at least one year fell 13 percent in March, more than the 10 percent average drop expected by analysts polled by Consensus Matrix.

The March results included a 16 percent drop at KFC and a 4 percent rise at Pizza Hut.

The company plans to educate consumers, as it has done in the past, that properly cooked chicken is safe to eat, Yum said in Wednesday's filing.

In February, KFC's sales were flat in China, which had given analysts some hope a turnaround was already taking hold.

While the March results were disappointing, they may show that the effects of the timing shift of the all-important Chinese New Year holiday on January and February were bigger than expected.

"I don't think we should interpret this, necessarily, as a step back," Sanford Bernstein research analyst Sara Senatore said.

Yum shares fell more than 2 percent to \$65.20 in extended trading following the report. Yum's stock traded around \$72 in late March before reports of the first deaths from the novel strain of avian flu.