

AmRest Holdings SE

Independent registered auditor's report on the financial statements as at and for the year ended 31 December 2009

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the registered auditor's report of the above-mentioned Polish Company. In Poland statutory accounts must be prepared and presented in accordance with Polish legislation and in accordance with the accounting principles and practices generally used in Poland.

The accompanying translated report has not been reclassified or adjusted in any way to conform to accounting principles generally accepted in countries other than Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancy in interpreting the terminology, the Polish language version is binding.

**Independent registered auditor's report on the financial statements
To the General Shareholders' Meeting and the Supervisory Board of
AmRest Holdings European Company**

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I. General information about the Company

- (a) AmRest Holdings SE (previously AmRest Holdings N.V.) was established in the Netherlands in October 2000 as a joint-stock company. On 19 September 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europea) and of its name to AmRest Holdings SE. On 22 December 2008, the Company was entered into the Register of Businesses with the reference number KRS 0000320252 by the District Court for Wrocław-Fabryczna, 6th Business Department of the National Court Register. The Court also registered the amendments to the Company's Articles of Association relating to the Company's registered office being moved to Poland. The Company's registered office is currently located at pl. Grunwaldzki 25-27, Wrocław (50-365), Poland.
- (b) On 16 January 2009, the Company was assigned a tax identification number (NIP) 1001002998 for making tax settlements. On 5 January 2009, the Company was assigned a REGON number 020891041 for statistical purposes.
- (c) As at 31 December 2009, the registered share capital of the Company amounted to EUR 141,863.56 and consisted of 14,185,356 shares, each of EUR 0.01 par value.
- (d) In the audited period the Company engaged mainly in holding operations, having shares in the following subsidiaries:
- AmRest Sp. z o.o., Poland;
 - AmRest s.r.o., Czech Republic;
 - AmRest Acquisition Subsidiary, Inc., United States.
- (e) The following people were on the Company's Management Board during the financial year:
- Wojciech Mroczyński Board Member;
 - Jacek Trybuchowski Board Member.
- Effective 12 January 2010 Jacek Trybuchowski resigned as Member of the Management Board. On 13 January 2010, by decision of the Supervisory Board of AmRest, Piotr Boliński was appointed Member of the Management Board.
- (f) The Company's related entities are its subsidiaries (AmRest Sp. z o.o., AmRest s.r.o., AmRest Acquisition Subsidiary, Inc, AmRest BK s.r.o.) and the members of the Groups formed by those entities. Additionally, the Company's related entities are subsidiaries of the people who are members of the management and supervisory authorities (MPI Sp. z o.o., ARC, American Retail System Sp. z o.o.).
- (g) The Company is an issuer of securities admitted to trading on the Warsaw Stock Exchange. In accordance with an election permitted by the Accounting Act, the Company has decided, commencing 2008, to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The decision to prepare the Company's financial statements in accordance with these standards was made by the Company's Management Board on 11 December 2008 and approved by a resolution of the Supervisory Board on 12 December 2008.

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- (h) As the Parent Company of the Group, the Company has also prepared consolidated financial statements in accordance with IFRS as adopted by the European Union as at 29 April 2010. In order to understand the Company's financial position and its results of operations as the Parent Company, the separate financial statements should be read in conjunction with the consolidated financial statements.

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II. Information on the audit

- (a) PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Company by Resolution No. 1 of the Supervisory Board of AmRest Holdings SE dated 13 January 2010 on the basis of paragraph 12, point 1, clause d) of the Company's Articles of Association.
- (b) PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the audited entity within the meaning of Art. 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (*Journal of Laws* No. 77, item 649).
- (c) The audit was conducted on the basis of an agreement concluded on 20 July 2009 in the period from 23 November 2009 to 29 April 2010.

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III. The Company's results and financial position

The financial statements do not take account of the effects of inflation. The consumer price index (from December to December) amounted to 3.5% in the audited year (3.3% in 2008).

The observations below are based on the knowledge obtained during the audit of the financial statements.

- As at the end of the financial year, the Company's assets amounted to PLN 529,430 thousand. During the year total assets/equity and liabilities increased by PLN 108,811 thousand (i.e. by 25.9%). This increase resulted mainly from the issue of bonds totalling PLN 110,000 thousand on 30 December 2009.
- The Company holds shares in three subsidiaries: AmRest Sp. z o.o., AmRest s.r.o. and AmRest Acquisition Subsidiary, Inc. As at the end of the audited financial year, the Company did not recognize impairment in the value of the shares in the subsidiaries or in any other assets.
- In the audited period, the Company earned comprehensive income of PLN (4,089) thousand which mainly comprised financial costs of PLN 4,697 thousand, financial income of PLN 1,428 thousand and administrative expenses of PLN 1,081 thousand.
- As at the balance sheet date, external financing mainly comprised liabilities in respect of issued bonds to a related entity, AmRest Sp. z o.o., in the amount of PLN 73,528 thousand and to other entities in the amount of PLN 109,308 thousand.
- Effective 1 January 2009, as a result of a change in transactions, events and conditions the Company changed its functional currency from US dollar to Polish zloty. By 31 December 2009 Polish zloty was a presentation currency for the Company's financial statements.

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IV. Discussion of financial statement components

STATEMENT OF FINANCIAL POSITION as at 31 December 2009

	Note	31.12.2009 PLN'000	31.12.2008 PLN'000	Change PLN'000	Change (%)	31.12.2009 Structure (%)	31.12.2008 Structure (%)
ASSETS							
Non-current assets							
Investments in associates		365,429	368,551	(3,122)	(0.8)	69.0	87.6
Other long-term assets		30,285	29,559	726	2.5	5.7	7.0
		395,714	398,110	(2,396)	(0.6)	74.7	94.6
Current assets							
Trade and other receivables		24,362	21,597	2,765	12.8	4.6	5.2
Cash and cash equivalents	1	109,337	-	109,337	-	20.7	-
Other current assets		17	912	(895)	(98.1)	-	0.2
		133,716	22,509	111,207	> 100.0	25.3	5.4
Total assets		529,430	420,619	108,811	25.9	100.0	100.0

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IV. Discussion of financial statement components (cont.)

STATEMENT OF FINANCIAL POSITION as at 31 December 2009 (cont.)

	Note	31.12.2009 PLN'000	31.12.2008 PLN'000	Change PLN'000	Change (%)	31.12.2009 Structure (%)	31.12.2008 Structure (%)
EQUITY							
Share capital	2	427	545	(118)	(21.7)	0.1	0.1
Supplementary capital		295,229	323,488	(28,259)	(8.7)	55.8	76.9
Retained earnings		50,713	61,152	(10,439)	(17.1)	9.6	14.6
Foreign exchange differences on translation		-	(37,687)	37,687	(100.0)	-	(9.0)
		346,369	347,498	(1,129)	(0.3)	65.5	82.6
LIABILITIES							
Non-current liabilities							
Other liabilities		182,675	69,916	112,759	> 100.0	34.5	16.6
		182,675	69,916	112,759	> 100.0	34.5	16.6
Current liabilities							
Borrowings		161	-	161	-	-	-
Trade and other payables		225	2,811	(2,586)	(92.0)	-	0.7
Current income tax liabilities		-	394	(394)	(100.0)	-	0.1
		386	3,205	(2,819)	(88.0)	-	0.8
Total equity and liabilities		529,430	420,619	108,811	25.9	100.0	100.0

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IV. Discussion of financial statement components (cont.)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2009

	Note	2009 PLN'000	2008 PLN'000	Change PLN'000	Change (%)
Administrative expenses		(1,081)	(1,768)	687	(38.9)
Other operating income		-	620	(620)	(100.0)
Financial income		1,428	12,796	(11,368)	(88.8)
Financial expense		(4,697)	(3,470)	(1,227)	35.4
Profit (loss) before income tax		(4,350)	8,178	(12,528)	< (100.0)
Income tax expense		261	-	261	-
Profit (loss) on continued operations	3	(4,089)	8,178	(12,267)	< (100.0)
Other comprehensive income (net)		-	60,654	(60,654)	100.0
Comprehensive income		(4,089)	68,832	(72,921)	< (100.0)

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IV. Discussion of financial statement components (cont.)

Balance sheet as at 31 December 2009

1. Cash and cash equivalents

The balance of cash and cash equivalents increased by PLN 109,337 thousand compared with the previous year as a result of the transfer of funds received from the issue of bonds on 30 December 2009.

2. Share capital – ownership structure

As at the date of this report being signed, i.e. 29 April 2010, the Company's shareholders (holding more than 5% of the share capital) were as follows:

Shareholder	Number of shares held	Par value of shares held	Type of shares held	% of voting rights
BZ WBK AIB Asset Management S.A.	3,583,623	147,222	ordinary	25.26
ING OFE	2,791,976	114,700	ordinary	19.68
Henry McGovern	1,295,110	53,206	ordinary	9.12
Aviva OFE	1,000,000	41,082	ordinary	7.04
OFE PZU Złota Jesień	745,257	30,617	ordinary	5.25

3. Net profit for the previous year

Pursuant to Resolution No. 6 of the General Shareholders' Meeting dated 22 May 2009, the profit for the previous year in the amount of PLN 8,178 thousand was earmarked for increasing the supplementary capital.

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V. The independent registered auditor's statement

- (a) The Company's Management Board provided all the information, explanations, and representations required by us in the course of the audit and provided us with a representation letter confirming the completeness of the information included in the accounting records and the disclosure of all contingent liabilities and significant post-balance-sheet events which occurred up to the date on which that letter was signed.
- (b) The scope of the audit was not limited.
- (c) The Company has up-to-date documentation of its accounting policies, approved by the Management Board. The Company's accounting policies were tailored to its needs and ensured the specification, in its accounting records, of all the events material to the assessment of its financial position and results, taking into consideration the prudence principle. There were no changes in the accounting policies compared with the previous period.
- (d) The closing balances as at the end of the prior financial year were correctly brought forward as the opening balances of the current period in all material respects.
- (e) We have assessed the operations of the accounting system. Our assessment covered in particular:
 - the accuracy of the documentation relating to business transactions;
 - the fairness, accuracy and verifiability of the books of account, including computerized books of account;
 - the methods used for controlling access to data and the computerized data processing system;
 - the safeguarding of the accounting documentation, books of account, and financial statements.

This assessment, together with our verification of the individual items of the financial statements, provides the basis for expressing a general, comprehensive and unqualified opinion on the truth and fairness of these financial statements. Our audit was not aimed at providing a comprehensive opinion on the operations of the said system.

- (f) The notes to the financial statements present all the significant information required by the International Financial Reporting Standards, as adopted by the European Union.
- (g) The information in the Directors' Report for the year ended 31 December 2009 is presented in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning current and periodic information to be provided by issuers of securities and the terms and conditions for accepting as equivalent the information required by a state which is not a member state (*Journal of Laws* No. 33, item 259) and is consistent with the information in the audited financial statements.
- (h) Counts of assets and equity & liabilities were carried out and reconciled in accordance with the Accounting Act, and their results were included in the accounting records for the audited year.

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V. The independent registered auditor's statement (cont.)

- (i) The financial statements for the previous year were audited by PricewaterhouseCoopers Sp. z o.o. The registered auditor issued an unqualified opinion.
- (j) The Company's financial statements as at and for the year ended 31 December 2008 were approved by Resolution No. 5 of the General Shareholders' Meeting dated 22 May 2009. They were filed with the National Court Register in Wrocław on 16 June 2009 and submitted for publication in Monitor Polski B on 29 April 2010.

VI. Final information and comments

This report has been prepared in connection with our audit of the financial statements of AmRest Holdings European Company, Wrocław, pl. Grunwaldzki 25-27. The audited financial statements comprised the following:

- (a) the statement of comprehensive income for the year ended 31 December 2009, showing comprehensive income of PLN (4,089) thousand;
- (b) balance sheet as at 31 December 2009, showing total assets and total liabilities & equity of PLN 529,430 thousand;
- (c) the cash flow statement for the year ended 31 December 2009, showing net cash inflows of PLN 109,337 thousand;
- (d) the statement of changes in equity for the year ended 31 December 2009, showing a decrease in equity of PLN 1,129 thousand;
- (e) additional information on adopted accounting policies and other explanatory notes.

The financial statements were signed by the Company's Management Board on 29 April 2010. This report should be read in conjunction with the Independent Registered Auditor's Opinion to the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings European Company signed on 29 April 2010 on the financial statements referred to above. The opinion is a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the financial statements as a whole.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., registered audit company no. 144:

Marcin Sawicki

Key Registered Auditor
No. 11393

Wrocław, 29 April 2010