AmRest Holdings SE
Consolidated condensed interim financial statements
as at and for the six months ended
June 30, 2013

Contents

Interim consolidated income statement
for the period ended June 30, 2013

In thousands of Polish Zloty	Notes	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012 (after adjustments)*
Continuing operations			
Restaurant sales		1 187 618	1 036 352
Franchise and other sales		86 649	76 414
Total sales	2	1 274 267	1 112 766
Company operated restaurant expenses:			
Food and material		(387 285)	(334 200)
Payroll and employee benefits		(264 631)	(228 445)
Royalties		(60 723)	(55 969)
Occupancy and other operating expenses		(381 396)	(321 144)
Franchise and other expenses		(63 362)	(54 635)
General and administrative (G&A) expenses		(107 978)	(74 849)
Impairment losses	2, 0,0	(6 378)	(4 259)
Other operating income		4 950	10 493
Total operating costs and losses		(1 266 803)	(1 063 008)
Profit from operations		**7 464**	**49 758**
Finance costs	2,4	(22 792)	(32 928)
Net income from settlement / (cost from valuation) of put option	2,0,4	63 482	(5 963)
Finance income	2,0	5 545	1 708
Income from associates	2,21	101	10
Profit before tax		**53 800**	**12 585**
Income tax expense	2,0	883	(2 919)
Profit for the period from continuing operations		**54 683**	**9 666**
Discontinued operations			
Profit/(loss) on discontinued operations	6	(12 884)	13 043
Profit for the period		**41 799**	**22 709**
Profit/(loss) attributable to:			
Non-controlling interests		(972)	4 093
Equity holders of the parent		42 771	18 616
Profit for the period		**41 799**	**22 709**
Basic earnings per share in Polish zloty	1k)	2,02	0,88
Diluted earnings per share in Polish zloty	1k)	1,98	0,87
Continuing operations			
Basic earnings per share in Polish zloty	1k)	2,62	0,27
Diluted earnings per share in Polish zloty	1k)	2,58	0,26
Discontinued operations			
Basic earnings per share in Polish zloty	1k)	(0,60)	0,61
Diluted earnings per share in Polish zloty	1k)	(0,60)	0,61

**Adjustments are the result of changes in presentation of consolidated income statement presented in note 1f) and note 2.*

The interim consolidated income statement has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

Interim consolidated comprehensive income statement
for the period ended June 30, 2013

In thousands of Polish Zloty	Notes	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012
Profit for the period		41 799	22 709
Other comprehensive income:			
Currency translation differences from conversion of foreign Entities	14	70 024	(16 775)
Valuation of PUT option liability	14	(11 232)	6 179
Net investment hedges	14	(27 356)	(6 297)
Cash flow hedges	14	-	-
Income tax concerning net investment hedges	0,14	5 198	1 197
Total items that may be reclassified subsequently to profit or loss		36 634	(15 696)
Total items that will not be reclassified to income statement		-	-
Other comprehensive income/(loss) for the period, net of tax		**36 634**	**(15 696)**
Total comprehensive income for the period		**78 433**	**7 013**
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		67 123	7 899
Non-controlling interests		11 310	(886)

The interim consolidated comprehensive income statement has to be analyzed jointly with the notes which constitute an integral part of theseinterim condensed consolidated financial statements.

Interim consolidated statement of financial position
as at June 30, 2013

In thousands of Polish Zloty	Notes	30.06.2013	31.12.2012 (after adjustments)*
Assets			
Property, plant and equipment	0	1 018 297	961 204
Goodwill	9	639 568	610 987
Other intangible assets	0	546 043	522 082
Investment properties		22 152	22 152
Investments in associates	21	162	434
Finance lease receivables		-	163
Other non-current assets		53 456	42 338
Deferred tax assets	0	29 462	16 634
Total non-current assets		2 309 140	2 175 994
Inventories	1	44 255	42 036
Trade and other receivables	11	62 551	90 983
Corporate income tax receivables		3 664	5 191
Finance lease receivables		236	154
Other current assets		26 653	24 345
Other financial assets		7 346	681
Cash and cash equivalents	12	243 842	207 079
Total current assets		388 547	370 469
Total assets	2	**2 697 687**	**2 546 463**
Equity			
Share capital		714	714
Reserves	14	719 180	610 764
Retained earnings		285 576	242 805
Translation reserve	14	75 858	18 116
Equity attributable to shareholders of the parent		1 081 328	872 399
Non-controlling interests		73 536	197 367
Total equity		1 154 864	1 069 766
Liabilities			
Interest-bearing loans and borrowings	15	805 950	611 107
Finance lease liabilities	18	4 455	4 476
Employee benefit liability		11 805	8 916
Provisions		7 215	7 087
Deferred tax liability	0	130 526	126 789
Put option liability	2	-	189 382
Other non-current liabilities	16	10 639	9 675
Total non-current liabilities		970 590	957 432
Interest-bearing loans and borrowings	15	212 667	181 975
Finance lease liabilities	18	434	372
Trade and other accounts payable	17	347 038	320 485
Corporate income tax liabilities	0	11 884	16 209
Other financial liabilities		210	224
Total current liabilities		572 233	519 265
Total liabilities	2	1 542 823	1 476 697
Total equity and liabilities		**2 697 687**	**2 546 463**

**Adjustments are the result of changes in presentation of statement of financial position presented in note 1f) and note 2.*

The interim consolidated balance sheet has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

Interim consolidated cash flow statement
for period ended June 30, 2013

In thousands of Polish Zloty	Notes	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012 (after adjustments)*
Cash flows from operating activities			
Profit before tax from continued operations	2,0	53 800	12 585
Loss before tax from discontinued operations	0,6	(12 884)	13 043
Adjustments for:			
Share of profit of associates	21	(101)	(10)
Amortization	2,0	10 750	10 243
Depreciation	2,0	82 263	83 192
Interest expense, net	0,4	17 779	23 239
Put option valuation and settlement net cost/ (profit)	0,4	(63 482)	5 963
Foreign exchange result	0,4	(3 714)	4 852
Loss on disposal of property, plant and equipment and intangibles	0	2 597	677
Impairment of property, plant and equipment and intangibles	0,0	4 888	4 034
Equity-settled share-based payments expenses	14	4 359	3 351
Working capital changes:			
Change in receivables	12	31 437	29 541
Change in inventories	12	(676)	(3 901)
Change in other assets	12	(11 875)	(12 600)
Change in payables and other liabilities	12	(11 938)	(52 294)
Change in other provisions and employee benefits	12	2 540	1 148
Income tax paid		(12 089)	(7 736)
Interest paid	0,4	(12 245)	(17 138)
Other		6 462	3 358
Net cash provided by operating activities		**87 871**	**101 547**
Cash flows from investing activities			
Proceeds from acquisition of subsidiaries	2	1 553	-
Proceeds from transactions with non-controlling interests		2 219	2 888
Proceeds from the sale of property, plant and equipment, and intangible assets	0,0	2 258	1 218
Acquisition of property, plant and equipment	0	(127 352)	(131 331)
Acquisition of intangible assets	0	(6 851)	(10 354)
Expenses on put option settlement	0	(101 810)	-
Repayments/ proceeds from investment loans and borrowings		(1 759)	(163)
Net cash used in investing activities		**(231 742)**	**(137 742)**
Cash flows from financing activities			
Proceeds from loans and borrowings		181 138	41 600
Repayment of loans and borrowings		-	(763)
Dividends paid to non-controlling interest owners		-	(490)
Dividends received from affiliates		87	58
Proceeds/(repayment) of finance lease payables		(86)	851
Proceeds of finance lease receivables		76	76
Net cash provided by/(used in) financing activities		**181 215**	**41 332**
Net change in cash and cash equivalents		**37 344**	**5 137**
Balance sheet change of cash and cash equivalents		36 763	3 314
Cash and cash equivalents, beginning of period		207 079	143 960
Effect of foreign exchange rate movements		(581)	(1 823)
Cash and cash equivalents, end of period		**243 842**	**147 274**

**Adjustments are the result of changes in presentation of statement of cash flow presented in note 1f) and note 2.*

The interim consolidated cash flow statement has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

AmRest Holdings SE

Interim consolidated statement of changes in equity for the 6 months ended June 30, 2013

	Attributable to equity holders						
	Issued capital	Reserved capital	Retained Earnings	Cumulative translation adjustments	**Total equity attribu-table to equity hol-ders of the parent**	Non-controlling interest	**Total Equity**
As at January 31, 2012*	714	568 254	151 878	136 373	**857 219**	155 527	**1 012 746**
COMPREHENSIVE INCOME							
Income for the period	-	-	18 616	-	**18 616**	4 093	**22 709**
Currency translation differences (note 14)	-	-	-	(11 796)	**(11 796)**	(4 979)	**(16 775)**
Impact of put option valuation as net investment hedges	-	6 179	-	-	**6 179**	-	**6 179**
Impact of net investment hedging	-	(6 297)	-	-	**(6 297)**	-	**(6 297)**
Deferred income tax concerning net investment hedges	-	1 197	-	-	**1 197**	-	**1 197**
Total Comprehensive Income	**-**	**1 079**	**18 616**	**(11 796)**	**7 899**	**(886)**	**7 013**
TRANSACTIONS WITH NON-CONTROLLING SHAREHOLDERS							
Equity attributable to non-controlling interests	-	-	-	-	**-**	2 888	**2 888**
Dividends paid to non-controlling shareholders	-	-	-	-	**-**	(432)	**(432)**
Total transactions with non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**2 456**	**2 456**
TRANSACTION WITH SHAREHOLDERS							
Employees share option scheme – value of employee services	-	3 351	-	-	**3 351**	-	**3 351**
Total transactions with shareholders	**-**	**3 351**	**-**	**-**	**3 351**	**-**	**3 351**
As at June 30, 2012	**714**	**572 684**	**170 494**	**124 577**	**868 469**	157 097	**1 025 566**
As at January 1, 2013	714	610 764	242 805	18 116	872 399	197 367	1 069 766
COMPREHENSIVE INCOME							
Income for the period	-	-	42 771	-	**42 771**	(972)	**41 799**
Currency translation differences (note 14)	-	-	-	57 742	**57 742**	12 282	**70 024**
Impact of put option valuation as net investment hedges (note 2)	-	(11 232)	-	-	**(11 232)**	-	**(11 232)**
Impact of net investment hedging	-	(27 356)	-	-	**(27 356)**	-	**(27 356)**
Deferred income tax concerning net investment hedges	-	5 198	-	-	**5 198**	-	**5 198**
Total Comprehensive Income	**-**	**(33 390)**	**42 771**	**57 742**	**67 123**	**11 310**	**78 433**
TRANSACTIONS WITH NON-CONTROLLING SHAREHOLDERS							
Equity attributable to non-controlling interests	-	-	-	-	**-**	2 219	**2 219**
Non-controlling interests reconciliation due the put option settlement		137 447	-	-	**137 447**	(137 447)	**-**
Equity attributable to non-controlling interests–Acquisition of Blue Horizon (note 2)	-	-	-	-	**-**	87	**87**
Total transactions with non-controlling shareholders	**-**	**137 447**	**-**	**-**	**137 447**	**(135 141)**	**2 306**
TRANSACTIONS WITH SHAREHOLDERS							
Employees share option scheme – value of employee services	-	4 359	-	-	**4 359**	**-**	**4 359**
Total transactions with shareholders	**-**	**4 359**	**-**	**-**	**4 359**	**-**	**4 359**
As at June 30, 2013	**714**	**719 180**	**285 576**	**75 858**	**1 081 328**	**73 536**	**1 154 864**

** Adjsutments are the result of presentation of consolidated statement of changes in equity presented in condensed interim consolidated financial statement as at and For the 6 months ended June 30, 2012 where were presented reconciliation of adjustment for the period of 6 month ended June 30, 2012.*

The interim statement of changes in consolidated equity has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

1. Information on the Group and significant accounting policies

a) General information

AmRest Holdings SE (“the Company”, “AmRest”, “Equity holders of the parent”) was established in the Netherlands in October 2000 as a joint-stock company. On September 19, 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. On December 22, 2008, the District Court for Wrocław-Fabryczna in Wrocław registered the new registered office of AmRest in the National Court Register. The address of the Company’s new registered office is: pl. Grunwaldzki 25-27, Wrocław (50-365), Poland.The Court also registered amendments to the Company’s Memorandum of Association related to the transfer of the registered office of AmRest to Poland.

AmRest is the first public company in Poland operating in the form of a European Company. The purpose of transforming AmRest into a European Company was to increase its operating effectiveness and reduce operating and administrative expenses. Following the fact of transfer into European Company and transfer of Company registered head office to Poland, the functional currency of AmRest holdings SE since January 1, 2009 is polish zloty (PLN).

Hereafter, the Company and its subsidiaries shall be referred to as “the Group”. The Group’s interim consolidated financial statements for the 6 months ended June 30, 2013 cover the Company, its subsidiaries and the Group’s shares in associates. AmRest, LLC entities are preparing financial statements for the 6 months ended June 30, 2013.

These interim consolidated condensed financial statements were approved by the Company’s Management Board on August 23, 2013.

The Group’s core activity is operating Kentucky Fried Chicken (“KFC”), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (further Czech), Hungary, Russia, Serbia, Croatia, Bulgaria and Spain, on the basis of franchises granted. In Spain, France, Germany, China, India and The United States of America (further USA) the Group operates its own brands La Tagliatella, Trastevere and il Pastificcio. This business is based on the franchise agreements signed with non related companies and own restaurants. It is supported by the central kitchen which produces and delivers products to the whole network of own brands. Additionally in China since December 21, 2012 the Group operates its own brands Blue Frog and KABB.

On April 27, 2005, the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange (“WSE”).

On April 22, 2010 share subscription agreement was signed between AmRest Holdings S.E, and WP Holdings VII B.V., following which on May 24, 2010 WP Holdings VII B.V. obtained 4.726.263 shares of the Company from new emission at emission price of PLN 65 for total value of PLN 307,2 million. At June 10, 2010 was registered by the registry court in Wroclaw the increase in the share capital of the Company by the amount of EUR 47.262,63 (PLN 195.374,26). Additionally during 12 months from the date on which the described above emission shares were registered by the registry court proper for the Company's registered office, the WP Holdings VII B.V. will have an option to subscribe for additional shares in up to two instalments to the extent that its shareholding does not exceed 33% of the post-issuance share capital. The issuance price for the additional shares subscription was PLN 75 per share. On March 25, 2011, WP subscribed for 2.271.590 shares with the issuance price of PLN 75 per share. After decrease by all costs concern capital issue the growth was PLN 168.926 thousand.

As at June 30, 2013, WP Holdings VII B.V. was the largest shareholder of AmRest and held 32.9999% of its shares and voting rights.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Pursuant to the information available to the Company, as at the date of release of this annual report, that is August 23, 2013 the following shareholders submitted information on holding directly or indirectly (through subsidiaries) 5% or more of the total vote at the General Shareholders Meeting of AmRest Holdings SE:

Shareholders	Shares amount	Share in Equity%	Shares amount at AGM	Share at AGM%
WP Holdings VII B.V.*	6 997 853	32.99%	6 997 853	32.99%
ING OFE	4 000 000	18.86%	4 000 000	18.86%
PZU PTE**	2 796 000	13.18%	2 796 000	13.18%
Aviva OFE	1 950 570	9.19%	1 950 570	9.19%

* WP Holdings owns directly 32.9999% shares in Equity and at AGM.
** PZU PTE S.A. manages assets which include the funds of OFE PZU "Złota Jesień" and DFE PZU

Pizza Hut and KFC restaurants operate on the basis of franchise agreements signed with YUM! and YUM! Restaurants International Switzerland, Sarl (“YRIS”) which is a subsidiary of YUM! Each of the franchise agreements covers a period of 10 years, with the possibility of extending it for a further 10-year period, which is conditional to meeting operating terms and conditions specified in the agreements.

On March 8, 2007, the Company signed a “Development Agreement” with Burger King Europe GmbH (“BKE”), relating to opening and operating Burger King restaurants in Poland on a franchise basis. Burger King restaurants operate on the basis of franchise agreements signed with Burger King Europe GmbH with its registered office in Zug, Switzerland. Each of the franchise agreements covers a period of 10 years, with the possibility of extending it for a further 10-year period, which is conditional to meeting specific terms and conditions specified in the agreements. For restaurants opened between March 01, 2009 and June 30, 2010 and after this period the franchise agreement was prolonged from 10 to 20 years from the opening date of new restaurants, but without possibility to prolong this period for next 10 years.

The main terms and conditions of the signed “Development Agreement” are as follows:

- During the first two years after opening the first Burger King restaurant by the Group, BKE will pay to the advertising and sales promotion fund an amount equal to 2.5% of the monthly sales of all Burger King restaurants operated by the Group. During the third year of opening the first Burger King restaurant by the Group, BKE will pay to the advertising and sales promotion fund an amount equal to 2.0% of the monthly sales of all Burger King restaurants operated by the Group.
- During the first five years, the preliminary fee paid by the Group in respect of franchise agreements concluded for each Burger King restaurant for a period of 10 years will amount to USD 25.000 (should the Group extend the franchise period for a further 10 years, the fee for renewing the franchise will amount to another USD 25.000). Upon opening each consecutive Burger King restaurant exceeding the number of restaurants specified in the development plan, the preliminary fee will be reduced by 50%.

As at August 10, 2010 between BKE, AmRest sp. z o.o., AmRest BK s.r.o.(present AmRest s.r.o. after the merger as at December 28, 2011) and Company was signed “Strategic Development Agreement” partially amending “Development Agreement” and franchise agreement signed with AmRest Sp. z o.o. and AmRest BK s.r.o., considering opening and running Burger King restaurants, accordingly, in Poland and Czech.

Agreement describes terms of opening and operating new Burger King restaurant in Poland and Czech. In this agreement were agreed amounts of new Burger King restaurants, that AmRest Sp. z o.o. in Poland and AmRest s.r.o. in Czech is obliged to open in agreed timeframe. In this agreement were also agreed rules of modification in agreed chain development schedules for given year. It was also established in agreement that if AmRest Sp. z o.o. or AmRest s.r.o. will not fulfill their obligations from development agreements concerning amount of new openings, each side of agreement (Group and BKE) will have right to cancel development agreement according to rules described in development agreement.

Validity period of franchisee agreement, therefore licenses for Burger King restaurants opened in Poland in period from March 1, 2009 till June 30, 2010, and also for newly opened restaurants in Poland was extended from 10 to 20 years since date of restaurant opening, however without option of prolongation for next 10 years, what was provided in original development agreement with AmRest sp. z o.o. In relation to restaurants opened in Poland in the period from March 1, 2009 to June 30, 2010 and in relation to restaurants opened in after this period (for franchise agreements for 20 years) was increased also amount of initial franchise payment from 25.000 USD to 50.000 USD.

According to „Strategic development agreement", Companies of the Group guaranteed to BKE fulfilling of AmRest sp. z o.o. and AmRest s.r.o obligations resulting from development agreements. Companies of the Group are committed to cover any damages to BKE caused by the developers actions, that is AmRest sp. z o.o. and AmRest s.r.o. Currenlty Group Companies are renegotiating terms of above mentioned agreements, especially in the area planned development, in order to agree applicable terms of future development .

Agreement was signed for agreed period of time till June 30, 2015 with qualification, that period of agreement effectiveness will be extended till end of development agreement validity period for AmRest sp. z o.o. and AmRest s.r.o.

On May 25, 2007, the Group signed agreements with Starbucks Coffee International, Inc. ("Starbucks") relating to the development of Starbucks cafés in Poland, the Czech and Hungary. The agreement covers a period to May 31, 2022 and provides for an option to extend it for another 5 years, after specific terms and conditions have been met.

The Parties established three separate companies in each of the 3 countries: Poland, the Czech and Hungary. On March 27, 2007, a new company was established in Poland – AmRest Coffee Sp. z o.o. The Czech AmRest Coffee s.r.o. was established on August 14, 2007, and the Hungarian AmRest Kávézó Kft on August 31, 2007. These companies are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech and Hungary, without exclusivity rights to some of the institutional locations.

The Group took up 82%, and Starbucks 18% of the share capital in the newly established companies. In the ninth year Starbucks will have an unconditional option to increase its shares to a maximum of 50%. In the event of a disputed take-over or change of control over the Company and/or its shareholders, Starbucks will be entitled to increase its share to 100% by purchasing shares from the Group. According to Company's Management assessment as at the day of this financial statement issuance, there are no material indicators making mentioned above options realizable.

The Group will be obliged to develop and run Starbucks cafés in accordance with the development plan which stipulates the minimum number of cafés to be opened each year in the period of the agreements being in force. Should the Group not discharge the duties following from the development plan, Starbucks will be entitled to charge it contractual penalty or terminate the agreements. The Agreements also include provisions relating to deliveries of coffee and other basic raw materials from Starbucks or other approved or determined suppliers.

Group is running proprietary brands from La Tagliatella group since April 28th, 2011, when controlling interests of Spanish AmRestTAG S.L. were acquired, and Blue Frog and KABB since December 21st, 2012, when Group acquired controlling interests in Blue Horizon Hospitality PTE Ltd. Group

La Tagliatella proprietary brands are run as equity stores mostly on Spanish market and heavily developed new markets, additionally in Spain are present frichise activities together with well developed supply chain managements processes. In franchise activities entities within Spanish Group are signing agreements with third parties to run restaurant under proprietary brand of AmRest, according to agreement terms they are expected to follow set standards, use common supply chain and pay agreed intital fee and monthly franchise fee based as percentage of net sales. This agreeemnts are long term with restricted terms of notice. La Tagliatella restaurants are places with unique décor serving Italian food, based on fresh, high quality and original ingridients, served in fast casual form.

Proprietary brands of Blue frog and KABB are only located within Chine. In modern interriors are served dishes from contemporary western quisine meeting high demand from mid and upper class. KABB brand is perceived as premium one with high quality of service and food offered.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

As at June 30, 2013 , the Group comprised the following subsidiaries:

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
AmRest Acquisition Subsidiary Inc.	Wilmington, USA	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRestavia S.L.U.	Madrid, Spain	AmRest TAG S.L.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	AmRestavia S.L.U.	16.52%	April 2011
		AmRest TAG S.L.	83.48%	
AmRest Services Sp. z o.o.*	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	April 2011
AmRest Services Sp. z o.o. SKA	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	November 2012
AmRest Restaurant Management Co. Ltd	Szanghai, China	AmRest HK Ltd	100.00%	November 2012
Blue Horizon Hospitality Group PTE Ltd	Singapore	AmRest Holdings SE	51.20%	December 2012
		WinTrust Equities	19.50%	
		Blue Horizon Hospitality Group PTE	19.50%	
		Macau Jiu Jia Partners LP	4.90%	
		Coralie Danks	4.90%	
		Restaurant activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czech	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	82.00%	March 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Petersburg, Russia	AmRest Acquisition Subsidiary Inc.	0.88%	July 2007
		AmRest Sp. z o.o.	99.12%	
AmRest Coffee s.r.o.	Prague, Czech	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest d.o.o.	Belgrad, Serbia	AmRest Sp. z o.o.	60.00%	October 2007
		ProFood Invest GmbH	40.00%	
AmRest LLC	Wilmington, USA	AmRest Services Sp. z o.o. SKA	100.00%	July 2008
Da Via, LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Crown Farm, LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Seneca Meadows, LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	June 2013
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Lleida, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Tagligat S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Pastificio S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	79.00%	September 2011
		Stubbs Asia Limited	21.00%	

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest Restaurants (India) Private Ltd	Bombai, India	Restauravia Grupo Empresarial S.L.	100.00%	October 2011
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH	Fraknfurt, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Paris, France	AmRestavia S.L.U.	100.00%	April 2012
La Tagliatella LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o	100.00%	August 2012
La Tagliatella Asia Pacific Ltd	Hong Kong, China	AmRestavia S.L.U.	100.00%	November 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants (BVI)	Road Town, Tortola, British Virgin Islands	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
Frog King Food&Beverage Management Ltd	Szanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Szanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Szanghai, China	Horizon Group Consultants (BVI)	97.50%	December 2012
		Shanghai Renzi Business Consultancy Co. Ltd	2.50%	
		Financial services for the Group		
AmRest Capital Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance S.L.**	Madrid, Spain	AmRest Holdings SE	100.00%	December 2011
La Tagliatella International Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Financing Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
Olbea s.r.o.	Prague, Czech	AmRest Cofee s.r.o.	100.00%	June 2013
		Owner of the building ,where the office surface is placed		
Bécsi út.13. Kft***	Budapest, Hungary	AmRest Kft	100.00%	April 2007
		Delivery services for restaurants operated by the Group		
SCM Sp. z o.o.	Warsaw, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		Zbigniew Cylny	44.00%	
		Beata Szafarczyk-Cylny	5.00%	
		Lack of running activity		
AmRest Ukraina t.o.w.	Kiev, Ukraine	AmRest Sp. z o.o.	100.00%	December 2005
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o	100.00%	March 2012

* On March 1, 2012 the name of Rodeo Drive Sp. z o.o. was changed into AmRest Services Sp. z o.o.
** On July 11, 2013 the company Amrest Finance S.L. was liquidated
***As a consequence of sale transaction of building owned by Bécsi út.13. Kft, Grou[has started subsidiary liquidation process.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

As at June 30, 2013 the Group posses the following associated entities included in the financial statements under the equity method:

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total Group vote	Date of effective control
SCM s.r.o.	Prague, Czech	Delivery services for restaurants provided to the Group	SCM Sp. z o.o.	45.90%	March 2007
BTW Sp. z o.o.	Warsaw, Poland	Restaurant activity	SCM Sp. z o.o.	25.50%	March 2012

The Group's office is in Wroclaw, Poland. At June 30, 2013 the restaurants operated by the Group are located in Poland, Czech, Hungary, Russia, Bulgaria, Serbia, Croatia, the United States of America, Spain, Germany, France, India and China.

b) Representations on compliance of the financial statements with the International Financial Accounting Standards

These Interim Condensed Consolidated Financial Statements as at and for the 6 months ended June 30, 2013 have been prepared in accordance with the IAS 34 Interim Financial Reporting.

These Interim Condensed Consolidated Financial Statements do not include all information or disclosures which are required in the annual financial statements and they should be read together with the annual Consolidated Financial Statements of the Group as at December 31, 2012.

Accounting policies on which bases the interim condensed consolidated financial statement prepared for the 6 months ended June 30, 2013 and consolidated financial statement for the year ended December 31, 2012 are consistent, except standards, changes in standards and interpretations which are mandatory for reporting periods beginning after January 1, 2013.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2013:

- IFRS 13 "Fair Value Measurement" – Group has added required by standard disclosures in interim condensed financial statements. See note 12.
- Assets value - ammendments to IAS 12 - Group has applied the amendment sind January 1st, 2013. The amendment has no material effect on interim consolidated financial statements of the Group.
- Presentation of comprehensive income statement – ammendments to IAS 1 – Group has included required by standard changes in presentation of comprehensive income statement items in below interim condensed consolidated financial statements.
- Ammendments to IAS 19 "Employee benefits" – Group applied change from January 1st, 2013. Management estimated the effect on interim condensed consolidated financial statements. Due the fact that, value of employee bemefits, which were subject of the changes are immaterial from the perspective of interim condensed sonsolidated financial statements, Group withdrew from restrospective adjustments.
- Disclosures – netting of assets and financial liabilities – ammendments to IFRS 7 – Group applied change fsince January 1st 2013, change have no material effect on interim condensed financial statements.
- Ammendments to IFRS 2009-2011 – Group applied ammendments since January 1st, 2013. Amendmends have no material effect on interim condensed financial statements.

Above mentioned amendments to standards and interpretations were approved for use by European Commission before issuance of this financial statements. The Management Board believes that the changes and improvements will not have a material effect on the Company's financial statements.

Before the issuance date of this financial statements were published by IASB numerous standards and interpretations, which haven't entered into force, but some of them were approved for use by European Commission. The Company did not decide to for early adoption of any of these standards.

c) Form of presentation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements are presented in Polish zloty (PLN), rounded up/down to full thousands.

The interim condensed financial statements were prepared on the historical cost excluding valuation of derivative instruments and investment properties to their fair value.

The preparation of the IFRS interim condensed financial statements requires the Management of the Group to make certain assumptions and estimates which are reflected in the accounting policy and that affect the reported amounts of assets and liabilities and reported revenues and expenses during the period. The results of the estimates and the respective assumptions being the result of experience and various factors deemed to be justified in given circumstances are the basis for assessing the values of assets or liabilities which do not result directly from other sources. The actual financial results may differ from the adopted estimates.

The estimates and the assumptions on which they are based are subject to current verification. The adjustment of accounting estimates is recognized in the period in which it was made, on condition that it only relates to that period, or in the period in which it was made, and in future periods, if it relates both to the current and future periods.

The accounting policies described above have been applied consistently in all the financial years covered by the interim condensed consolidated financial statements, except for those instances were changes were made in connection to new standards and interpretations were applied. These policies have been applied consistently by all the entities constituting the Group.

d) Going concern assumption

Information presented below should be read together with information provided in note 15 loans and borrowings.

Interim condensed consolidated financial statements for the period of 6 months ended June 30, 2013 were prepared in accordance with going concern assumption by the Group in foreseeable future, what assumes realization of assets and liabilities throughout the normal terms of Group business operations. Interim condensed consolidated financial statements does not account for adjustments, which would be essential in such events. As at the date of interim condensed consolidated financial statement issuance in assessment made by Group Parent Entity there are no circumstances indicating threats for Group business going concern.

As it was described in note 15 "borrowings" financial liabilities resulting from loan agreement signed October 11, 2010 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. and Bank PEKAO S.A., RBS Bank (Polska) S.A., The Royal Bank of Scotland plc (formerly The Royal Bank of Scotland N.V.), Bank Zachodni WBK S.A. and Rabobank Polska S.A. As consequence of this agreement and subsequent annexes in year 2013 will take place repayment of PLN 207 million. Unused available facilities of this loan as at June 30, 2013 equal to PLN 234.9 million. As for the day of this financial statement issuance Management Board of Group Parent Entity have plans and realize actions aiming to provide successful refinancing of mentioned above liabilities from loans repayable in 12 months sine June 30, 2013. Management of Group Parent Entity had analyzed cash-flows for 12 months since balance sheet date of June 30, 2013 and available financing scenarios. Current liquidity analysis provided that cash and cash equivalent balance as at June 30, 2013 together with planned operating cash flows will allow to finance current debts and required capital expenditures.

e) Seasonal fluctuations in production and sales

The seasonal fluctuations in sales and inventory of the Group are not significant which is characteristic for the entire restaurant industry.

The lowest sales are recorded in the first quarter of the year, which is attributable primarily to fewer operating days in February and fewer people dining out. The next quarter in terms of sales is the second quarter, in which the restaurants achieve better results thanks to improving weather and a positive effect of the beginning of the holiday season in June. The highest sales are achieved at the end of the third and at the beginning of the fourth quarter. Very good performance in the third quarter is attributable to the increased tourist traffic. Autumn is traditionally a season when people tend to dine out more frequently, which translates into higher sales. An important time in the last three months of the year is the pre-Christmas period, when particularly high sales are reported by the restaurants situated in shopping malls.

f) Adjustments

Comparable data were restated as a consequence of following adjustment: Group classified operations of Applebee's brand as discontinued. It results together with IFRS5 requirements in presentation of income statement for year 2012 in modified form after deduction of appropriate income statement elements regarding Applebee's brands.

Below is presented schedule reconciling effect of mentioned above adjustment and reconciliations between data published for period of 6 months ended June 30, 2012 and presented in below report as comparatives.

Interim Consolidated Income Statement for the for the 6 months ended June 30, 2012

in thousands of Polish Zloty	**According to published financial statement for the for the 6 months ended June 30, 2012, ***	**Adjustment I**	**After adjustments**
Continuing operations			
Restaurant sales	1 036 352	-	1 036 352
Franchise and other sales	76 414	-	76 414
Total sales	1 112 766	-	1 112 766
Direct operating restaurant expenses:			
Food and material	(334 200)	-	(334 200)
Payroll and employee benefits	(228 445)	-	(228 445)
Royalties	(55 969)	-	(55 969)
Occupancy and other operating expenses	(321 144)	-	(321 144)
Franchise and other expenses	(54 635)	-	(54 635)
General and administrative expenses (G&A)	(71 203)	(3 646)	(74 849)
Impairment losses	(4 259)	-	(4 259)
Other operating income	10 493	-	10 493
Total operating costs and losses	(1 059 362)	(3 646)	(1 063 008)
Profit from operations	**53 404**	**(3 646)**	**49 758**
Finance costs	(32 928)	-	(32 928)
Cost from put option valuation	(5 963)	-	(5 963)
Finance income	1 708	-	1 708
Income from associates	10	-	10
Profit before tax	**16 231**	**(3 646)**	**12 585**
Income tax	(2 919)	-	(2 919)
Profit/(loss) for the period from continuing operations	**13 312**	**(3 646)**	**9 666**
Discontinued operations			
Profit on discontinued operations	9 397	3 646	13 043
Profit for the period	**22 709**	**-**	**22 709**
Profit attributable to:			
Non-controlling interests	4 093	-	4 093
Equity holders of the parent	18 616	-	18 616
Profit for the period	**22 709**	**-**	**22 709**

* *Adjustments are the result of change in presentation of income statement presented in consolidated condensed interim financial statements as at and for six months ended June 30, 2012,where is presented the change reconciliation effect in financial statement for for the 6 months ended June 30, 2012.*

g) Unusual events affecting the operating activities

During the reporting period put option over AmRest TAG S.L. non controlling interests was settled based on agreement signed June 7, 2013 (see note 2 and 0). During the reporting period no other significant unusual events have been identified.

h) Issuances, repurchases and repayments of debt and equity securities

As at June 18, 2013 AmRest Holdings SE issued 5 years bonds at value of PLN 140 million (see note 15). During the reporting period no other issuances, repurchases and repayments of debt and equity securities have been identified.

i) Dividends paid and received.

In the period covered by this Interim Condensed Consolidated Financial Statements Group has received dividend from associated company SCM s.r.o. in the value of PLN 87 thousand.

j) Changes in future and contigent liabilities

As in the previous reporting period, the Company's future liabilities follow on from the Franchise Agreements and Development Agreement.

Restaurants are operated in accordance with franchise agreements with YUM! and its subsidiaries and Starbucks Coffee International , Inc and Burger King Europe GmbH.

These franchise agreements typically require that the Group pays an initial non-refundable fee upon the opening of each new restaurant, continuing fees of 6% of revenues and commits 5% of revenue to advertising as specified in the relevant agreements. In addition, after completion of the initial contract period, the Group may renew the franchise agreement, which is a subject to a renewal fee.

Initial non-refundable fees constitute in substance rights to use Pizza Hut and KFC trademarks and are classified as intangible asset and amortized over the period of the franchise agreement (usually 10 years). Other fees are recognized in the profit and loss account when incurred. Renewal fees are amortized over the renewal period when a renewal agreement comes into force.

The initial fees paid are approximately USD 47.700 per restaurant and renewal fees are 50% of the initial fees, adjusted to reflect changes in the US Consumer Price Index during the term of the relevant franchise.

The most significant conditions relating to franchise agreements to be concluded with Burger King Section are as follows:

- The license is granted for 10 years from the date on which the restaurant starts operating. Franchisee has the right to extend the contract for a further period of 10 years after the completion of certain conditions. The franchisee is entitled to extend the agreement for a further 10 years after meeting specified terms and conditions.This conditions were described in initial development agreement with AmRest Sp. z o.o. For restaurants opened in Poland after March 1, 2009 the license was overlong from 10 to 20 years without option of prolongation for next 10 years.
- Franchisee will pay to the franchisor monthly continuing franchise fees of 5% of the sales revenue of the Burger King restaurant run by the franchisee. The fee will be added to the income statement when it incurred in category continuing franchise fees.
- The Franchisee will pay to the Franchiser a monthly fee for sales advertising and promotion of 5% of the sales revenue of the Burger King restaurants operated by the Franchisee. The fee will be added to the income statement when it incurred in category direct marketing costs.

The key fees and costs to be incurred by the Group relating to agreements with Starbucks Coffee International, Inc. Section (a) are as follows:

- The fee for development and the fee for providing services of USD 950 thousand, relating to the preliminary operating support (settled from other assets into general and admin expenses of Starbucks subsidiaries).
- The preliminary franchise fee of USD 25 thousand per each opened Starbucks café (capitalized as intangible asset and amortized during the franchise agreement period).
- A fixed licence fee equal to 6% of sales revenues of each of the Starbucks cafés (added to the income statement when it incurred in category continuing franchise fees).

- The local marketing fee the amount of which will be determined annually between the parties to the agreements (added to the income statement when it incurred in category direct marketing costs).

As a consequence of hawing proprietary brands, which are also subject of franchise activity with third parties Group is applying following accounting principles:

- Generally the franchise agreement covers a 10 year period and provides an option of extension for another 10 (for agreements signed after 2006) or 5 years (for agreements signed before 2006). Some franchise agreements were signed for the period from 9 to 20 years.
- Revenues of the Group consist of sales by Company operated restaurants and fees from franchisees and license are recognized when payment is rendered at the time of sale.
- Fees for using own brand paid by franchisees to the Group as a 6% from the sales (continued fees) are recognized as earned.
- Intangible assets, covering relationships with franchise clients, recognized during the acquisition process are amortized within the average period of the contractual relationship with franchise clients.
- Own brands systematically as at the purchase date are analysed from the point of depreciation and amortisation periods. Currently:
    - La Tagliatella brand is treated as not amortized asset due to indefinite useful life,
    - Blue Frog brand (note 2) is treated as amortized asset in 20-year period.

k) Earnings per share

The basic and diluted earnings per ordinary share for the 6-months period of 2013 and 2012 was calculated as follows:

In thousands of Polish Zloty	**For the 6 months ended June 30, 2013**	**For the 6 months ended June 30, 2012 (afer adjustments)***
Net profit from continued operations attributable to equity holders of the parent company	55 655	5 573
Net profit from discontinued operations attributable to equity holders of the parent company	(12 884)	13 043
Net profit attributable to equity holders of the parent company	42 771	18 616
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Impact of share options awarded in 2005	20 498	19 316
Impact of share options awarded in 2006	15 323	16 110
Impact of share options awarded in 2007	-	-
Impact of share options awarded in 2008	2 634	-
Impact of share options awarded in 2009	27 859	18 304
Impact of share options awarded in 2010	12 817	22 955
Impact of share options awarded in 2011	182 363	53 904
Impact of share options awarded in 2012	76 969	-
Weighted diluted average number of ordinary shares for diluted earnings per share	21 552 365	21 344 482
Basic earnings per ordinary share	2,02	0,88
Diluted earnings per ordinary share	1,98	0,87
Basic earnings from continued operations per ordinary share	2,62	0,27
Diluted earnings from continued operations per ordinary share	2,58	0,26
Basic earnings from discontinued operations per ordinary share	(0,60)	0,61
Diluted earnings from discontinued operations per ordinary share	(0,60)	0,61

**Adjustments are the result of changes in presentation of consolidated income statement presented in note 1f) and note 2.*

2. Segment reporting

AmRest as a Group of dynamic developing entities running operations at many markets and various restaurant business segments is under constant analysis of Executive Committee. This Committee is also constantly reviewing the way how business is analysed and adjust it accordingly to changing Group Structure as a consequence of strategic decisions. Operating segments are set on the basis of management reports used by Executive Committee during making strategic decisions. Executive committee verifies group performance while deciding of owned resources allocations in breakdown AmRest Group for divisions.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Divisional approach is currently valid solution for strategic analysis and capital allocation decision making process by Executive Committee. This breakdown is mainly consequence of material Group development by acquisition of Restauravia Group in Spain, start of La Tagliatella proprietary brand development in new markets and acquisition of Blue Horizon Group in China. As for the balance sheet date Executivee Committee defines segments in presented below layout.

Segment	Description
CEE	Poland, Czech, Hungary, Bulgaria, Croatia and Serbia.
USA*	Discontinued operations of Applebee's restaurants.
Spain	KFC and La Tagliatella restaurant operations, together with suplly chain and franchise activity in Spain territory.
New markets	La Tagliatella activitiy in China, India, France, Germany and USA. Stubbs in China. Blue Frog and KABB restaurants in China.
Russia	KFC and Pizza Hut activity in Russia.
Unallocated	Consolidation adjsutments, asset and liability balances non-allocated to segments (covering borrowings and lease liabilities) and transactions of AmRest Holdings SE and subsidiary located in the Ukraine and following companies AmRest Capital Zrt, AmRest Finance Zrt and AmRest Finance S.L. and financial costs and incomes, share profit of associates, income tax, net income from continued operation, total net income.

Below are presented data relating to operating segments for the 6 months ended June 30, 2013 and for the comparative period ended June 30, 2012.

for the 6 months ended June 30, 2013	CEE	USA*	Spain	New markets	Russia	Unallo-cated	Total
Revenue from external customers	754 811	-	271 320	61 481	186 655	-	1 274 267
Inter- segment revenue	-	-	-		-	-	-
Operating profit/ (loss)	8 523	-	31 514	(33 905)	9 483	(8 151)	7 464
Finance costs (incl.cost from put option valuation)	-	-	-	-	-	(22 792)	(22 792)
Finance income	-	-	-	-	-	69 027	69 027
Share of profit of associates	101	-	-	-	-	-	101
Income tax	-	-	-	-	-	883	883
Deferred tax assets	29 462	-	-	-	-	-	29 462
Profit for the period from continuing operations	-	-	-	-	-	54 683	54 683
Profit for the period from discontinued operations	-	(12 884)	-	-	-	-	(12 884)
Profit for the period	-	(12 884)	-	-	-	54 683	41 799
Segment assets	865 818	-	1 102 426	261 420	335 322	132 539	2 697 525
Investments in associates	162	-	-	-	-	-	162
Total assets	865 980	-	1 102 426	261 420	335 322	132 539	2 697 687
Goodwill	25 076	-	387 814	84 283	142 395	-	639 568
Segment liabilities	223 286	-	75 853	53 726	33 907	1 156 051	1 542 823
Pension, health care, sickness fund state contributions	35 598	-	17 120	-	8 635	-	61 353
Depreciation	52 362	-	14 827	5 095	9 979	-	82 263
Amortization	4 208	-	5 437	584	521	-	10 750
Capital investment	52 360	-	10 276	38 175	33 137	255	134 203
Impairment of fixed assets (note 0,0)	4 477	-	-	-	-	-	4 477
Impairment of trade receivables	650	-	37	-	-	-	687
Impairment of inventories (note 10)	-	-	-	235	376	-	611
Impairment of goodwill (note 9)	-	-	-	-	395	-	395
Impairment of other assets	208	-	-	-	-	-	208

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

	CEE	USA*	Spain	New markets	Russia	Unallo-cated	Total
for the 6 months ended June 30, 2012**							
Revenue from external customers	707 526	-	257 744	295	147 201	-	1 112 766
Inter- segment revenue	-	-	-		-	-	-
Operating profit/ (loss)	18 610	-	36 940	(9 423)	8 534	(4 903)	49 758
Finance income	-	-	-		-	(38 891)	(38 891)
Finance costs (incl.cost from put option valuation)	-	-	-		-	1 708	1 708
Share of profit of associates	10	-	-		-	-	10
Income tax	-	-	-		-	(2 919)	(2 919)
Deferred tax assets	24 782	3 466	7 534	-	355	269	36 406
Profit for the period from continuing operations	-	-	-	-	-	9 666	9 666
Loss for the period from discontinuing operations	-	13 043	-	-	-	-	13 043
Profit for the period	-	13 043	-	-	-	9 666	22 709
Segment assets	817 328	307 603	1 125 298	13 215	283 733	77 333	2 624 510
Investments in associates	346	-	-	-	-	-	346
Total assets	817 674	307 603	1 125 298	13 215	283 733	77 333	2 624 856
Goodwill	26 113	-	401 712	-	146 237	-	574 062
Assets available for sale	-	276 112	-	-	-	-	276 112
Segment liabilities	156 626	49 499	261 194	393	19 517	1 112 061	1 599 290
Pension, health care, sickness fund state contributions	817 328	307 603	1 125 298	13 215	283 733	77 333	2 624 510
Depreciation	49 643	-	14 007	3	9 749	-	73 402
Amortization	4 196	-	5 282	-	223	-	9 701
Capital investment	63 704	12 315	33 887	4 795	26 984	-	141 685
Impairment of fixed assets (note 0,0)	4 034	-	-	-	-	-	4 034
Impairment of trade receivables	432	-	140	-	(347)	-	225

**significant assets concerning USA segment were classified as assets held for sale and its results for the period from January 1, 2012 to June 30, 2012 and comparable period were classified as discontinued according to IFRS 5.*
***Adjustments are the result of changes in presentation of consolidated income statement presented in note 1f) and note 2.*

Capital expenditure comprises increases in property, plant and equipment (note 0), intangible assets (note 0).

Value of assets and liabilities and results of given reporting segments have been established on the basis of Group accounting policies, compliant with policies applied for preparation of this financial statements.

Goodwill was allocated to given reporting segments. Group is under review of segment change consequences for policy and rules of goodwill impairment testing.

Establishment and acquisition of subsidiaries
Entry to the restaurant market in China

Acquisition of Blue Horizon Hospitality PTE Ltd

DESCRIPTION OF ACQUISITION

On December 21, 2012 year AmRest Group acquired 51.2% share in Group Blue Horizon Hospitality PTE Ltd from Wintrust New Zeland, Blue Horizon Hospitality Ltd, Macau Jiu Jia Partners LP and Mrs. Coralie Danks and Mr. Robert Boyce. The transaction value was PLN 61.438 thousand (USD 20 million) and consisted of payment

PLN 58.366 thousand (USD 19 million) for 50% shares and PLN 3.072 thousand (USD 1 million) direct share increase giving additional 1.2% of shares. Transaction was based on agreement signed December 14, 2012 year.

Group Blue Horizon Hospitality PTE Ltd through subsidiaries as at the acquisition date operated 11 equity owned restaurants in Chin: 10 Blue Frog restaurants and 1 KABB restaurant in three cities Beijing, Shanghai and Nanjing.

As a result of above mentioned transaction Group has become owner of Blue Frog and KABB restaurant brands, which have significant growth potential in China and other countries. Additional Group has joined a group of experienced management team, that will support Group expansion on this market, also regarding development of other proprietary brand La Tagliatella.

ALLOCATION OF THE ACQUISITION PRICE

Details of the fair value of the acquired net assets, goodwill and acquisition price as at the acquisition date are presented below:

In thousands of Polish Zloty	**Carrying amount**	**Adjustment of fair value and other adjustments**	**Fair value**
Cash and cash equivalents	6 677	-	6 677
Property, plant and equipment	12 519	-	12 519
Other intangible assets	53	-	53
Blue Frog brand	-	18 706	18 706
Other non-current assets	9	-	9
Inventories	1 311	-	1 311
Trade and other receivables	9 242	-	9 242
Other current assets	393	-	393
Deferred tax assets	1 417	-	1 417
Loans and borrowings	(874)	-	(874)
Trade and other payables	(6 982)	-	(6 982)
Corporate income tax liabilities	(2 203)	-	(2 203)
Other Liabilities	(8 351)	-	(8 351)
Deferred tax liabilities	-	(4 677)	(4 677)
Net assets acquired	13 211	14 029	27 240
Amount paid in cash			58 366
Amount paid in cash for new shares			3 072
Purchase price adjustment			(1 553)
Non controlling interests (48.8%)			44 685
Total payment for acquisition			104 570
The fair value of net assets			(27 240)
Goodwill			77 330
Amount paid in cash			61 438
Acquired cash and cash equivalents			(6 677)
Cash outflows on acquisition as at December 31, 2012			54 761
Cash inflows as a consequence of purchase price adjustment in period of 6 months ending June 30, 2013			(1 553)
Total cash outflow on acquisition			53 208

All purchase price adjsutments are the result of specific arrangements with the seller in agreement mentioned above. The fair value of net assets adjustments are results of independent valuation done for purchase price allocation purposes.

Purchase price adjustment in the value of PLN 1.553 thousand was included as for interim condensed financial statement requirements. On February 5 – 7, 2013 the Group received money transfer in the value of USD 501 thousand according to the agreement from February 19, 2013, this payment is consequence of contractual price adjustment, based on working capital level change between agreement date and final transaction controlling interests ownership transfer date.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Fair value on net assets in annual consolidated financial statements for the period of 12 months ending December 31, 2012 presented in value of PLN 26.700 thousands was adjusted for provisional accounting at value of PLN 540 thousand. This adjustment consisted of increased value of property, plant and equipment by PLN 363 thousand (CNY 730 Thousand) and increased deferred tax asset in value of PLN 177 thousand (CNY 356 thousand).

Fair value adjustment are:

	Title	Methods/key assumptions
Blue Frog brand	Registered proprietary brand of Blue Frog together with know-how	Relief from royalty method / 3% royalty rate at discount rate 28.8%
Deferred tax liabilities	Deferred tax on assets fair value	25% income tax rate

The process of allocating the acquisition price to the purchased assets and acquired liabilities wasn't completed, due the ongoing process of integration and verification of certain risk, especially tax settlements and owned business asset portfolio. Above presented price adjustment reflects current status of allocation process. Due to this fact fair values of assets and liabilities, purchase price and goodwill was presented provisionary.

The fair value and the other adjustments presented in the table above relate mainly to:

- fair value measurement of intangible assets;
- fair value measurement of deferred tax liabilities;

Goodwill was calculated on the basis of the fair value of acquired net assets and refers mainly to benefits from access to Chinese restaurant market clients, potential of acquired business concept of the own brand, experienced management team and opportunity to develop other business concept on Chinese market. Non-controlling interest were valued at fair value.

Fair value of non- controlling interests in acquired Spanish business were valued on the basis of two methods: comparable quoted companies (market approach) and discounted cash flow (income approach). Spanish group has not been listed on stock exchange therefore there were not available market based data. Fair value was based on:

- 25 % non-controlling interests discount assumption with EV/EBITDA and EV/revenues ratio analysis for comparable companies in market approach,
- 27.8% discount rate assumption and residual value calculated based on 2% long-term growth rate in income approach.

IMPORTANT TERMS OF ACQUISITION AGREEMENT

Blue Horizon Hospitality PTE Ltd Group share purchase agreement provides price adjustment mechanism for not fulfilling agreed opening plan for 2013 year, with grace period in 2014. From Group Management point of view, based on best available information at the balance sheet date, there is no evidence to recognize effect of this purchase price adjustment in above purchase allocation.

INFLUENCE OF THE ACQUISITION ON THE CONSOLIDATED FINANCIAL STATEMENT

If acquisition mentioned above was performed at January 1, 2012, estimated consolidated revenues for the 6 months ended June 30, 2013 would increase by PLN 38.678 thousand and net income would increase by PLN 668 thousand. In period for the 6 months ended June 30, 2013 the cost concerning the transation was PLN 743 thousand.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

3. Finance income

	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012
Income from bank interests	1 827	1 526
Net income from settlement / (cost from valuation) of put option	63 482	-
Net foreign exchange gains	3 714	-
Other	4	182
	69 027	**1 708**

According to terms of the agreement AmRest owns "Call Option" to purchase total or part of AmRest TAG shares from non-controlling interest shareholders. AmRest has the right to realize Call option after 3 and to 6 years from the date of finalizing the agreement on May 1 and December 1 each year within this period. Non-controlling shareholders have the right to "Put Option" to sell total or part of shares. Put option could be realized after 3 and to 6 years from the date of finalizing the agreement. Additionally the Put Option could be exercised at any time in the following cases: death of Mr. Steven Kent Wineger, formal initiation of the listing process of AmRest TAG's shares on a security exchange, AmRest's stock market price per share falls below 65 PLN. The price of both options was equal 8.2 times of the EBITDA value for last 12 months, adjusted by net debt value on the day of option realization.

In the period from June 24 to 26, 2013 was confirmed settlement set by agreement of put option, in which AmRest acquired non-controlling interests of AmRest TAG Group. In consequence of this settlement were recognized incomest at value of PLN 65.388 thousand and costs from put option valuation in first quarter of 2013 at value of PLN 1.906 thousand. Income from put option settlement are result of netting the put option liability valuation at settlement date with value of paid cash and fair value of deferred payments. In interim consolidated financial statements of Group as at June 30, 2013 put option liability valuation is not recorded. As at June 30, 2012 liability from put valuation was valued at PLN 189.382 thousand (EUR 46.324 thousand). As at June 28, 2013 when option was settled the vale was PLN 202.521 thousand (EUR 46.780 thousand) AS at the acquisition date of AmRest TAG Group put liability was valued at PLN 160.093 thousand (EUR 40.681 thousand). According to policy of hedging the foreign exchange valuation effect is presented in statement of changes in equity, statement of comprehensive income and note 14. Value of deferred payment liability is disclosed in note 17 with volatility analysis in note 12.

Key managers of the Spanish market participate in motivation program which bases on exceeding goals of the business growth. For the for the 6 months ended June 30, 2013 and 2012 the Group recognized costs concerning the program in amount of PLN 1.939 thousand (EUR 464 thousand) (accordingly for the for the 6 months ended June 30, 2012 PLN 5.411 thousand (EUR 1.270 thousand)).

4. Finance costs

	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012
Interest expense	(19 606)	(24 765)
Cost from put option valuation	-	(5 963)
Net foreign exchange losses	-	(4 852)
Other	(3 186)	(3 311)
	(22 792)	**(38 891)**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

5. Income tax expense

	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012
Current tax	(3 010)	(6 236)
Change in deferred tax assets/liabilities	3 893	3 317
Deferred tax recognized in the income statement	**883**	**(2 919)**

	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012
Deferred tax asset		
Opening balance	16 634	36 309
Closing balance	29 462	36 406
Deferred tax liability		
Opening balance	126 789	162 117
Adjsutment for goodwill recalcualtion	-	(20 715)
Opening balance adjusted	-	141 402
Closing balance	130 526	157 700
Change in deferred tax assets/liabilities	**9 091**	**(16 201)**
Of which		
Deffered income tax recognized in income statement	3 893	(17 398)
Deffered income tax regarding titles directly reported in equity	5 198	1 197

As at June 30, 2013 and December 31, 2012 balance of deferred tax liability was mostly caused by tax effect of temporary differences on property,plant and equipment and intangible assets.

A tax authority may control tax returns (if they have not already been controlled) of Group companies from 3 to 5 years of the date of their filing. On June 28, 2012 Tax Audit Office in Wroclaw decide to initiate the control proceedings for AmRest Sp. z o.o. concerning „Realiabilityof the declared tax basis and correctness of income tax calculation and payments for 2010". At the moment of issuance below financial statements the proceeding is still in progress.

6. Discontinued operation

a) Applebee's®

On June 7, 2012 was signed agreement concerning the sale of Applebee's brand assets. On October 10, 2012 as a result of the agreement 99 from 102 Applebee's restaurants managed by the Group were sold. As at June 30, 2013 final settlement of the transaction was made based on the best estimation of the last 3 restaurants settlement.

According to above approach all data were adjusted by values concerned discontinued operation and differ from previously published data.

Results of brand Applebee's for the reporting years are presented below:

In thousands of Polish Zloty	**For the 6 months ended June 30, 2013**	**For the 6 months ended June 30, 2012 (after adjustments)***
Restaurant sales	5 699	411 643
Total sales	5 699	411 643
Company operated restaurant expenses:		
Food and material	(1 684)	(112 389)
Payroll and employee benefits	(2 986)	(143 506)
Royalties	(232)	(16 941)
Occupancy and other operating expenses	(2 927)	(106 826)
General and administrative (G&A) expenses	(2 675)	(18 651)
Other operating costs	(7 999)	-
Other operating income	-	64
Total operating costs and losses	(18 503)	(398 249)
Profit from operation	**(12 804)**	**13 394**
Financial costs	(80)	(138)
Profit before tax	**(12 884)**	**13 256**
Income tax	-	(213)
Profit from discontinued operations	**(12 884)**	**13 043**

**Adjustments are the result of changes in presentation of consolidated income statement presented in note 1f)*

	For the 6 months ended June 30, 2013	**For the 6 months ended June 30, 2012**
Other comprehensive income:		
Currency translation differences from conversion of foreign entities	2 291	(1 901)
Net investment hedges	-	1 372
Income tax concerning net investment and cash flow hedges	-	(261)
Other comprehensive income for the period, net of tax	**2 291**	**(790)**
Total comprehensive income for the period	**(10 593)**	**12 253**

Other operating costs incurred are for additional costs in consequence of not transferring the remaining 3 Applebee's stores to buyer, as consequenc of independent factors.
Brand Applebee's was only reported in past USA segment.

Applebee's business generated approximately PLN 18.503 thousands of operating expenses in 6 months of 2013 and in 6 months of 2012 it was about PLN 398.249 thousand.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

7. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment in 2013 and 2012:

2013	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
Gross value							
As at 01.01.2013	10 137	856 165	467 981	3 393	132 704	79 073	**1 549 453**
Adjsutm-ents (note 2)	-	363	-	-	-	-	**363**
As at 01.01.2013 (after adjustments)	10 137	856 528	467 981	3 393	132 704	79 073	**1 549 816**
Additions	3 962	48 301	45 490	121	3 233	26 245	**127 352**
Disposals	-	(15 297)	(7 580)	(549)	(11 253)	(69)	**(34 748)**
Foreign exchange differences	234	14 295	7 268	61	4 338	2 284	**28 480**
As at 30.06.2013	14 333	903 827	513 159	3 026	129 022	107 533	**1 670 900**
Accumulated depreciation							
As at 01.01.2013	-	293 635	206 641	1 455	49 451	-	**551 182**
Additions	-	40 815	29 942	354	11 152	-	**82 263**
Disposals	-	(6 461)	(11 234)	(499)	(11 172)	-	**(29 366)**
Foreign exchange differences	-	3 258	2 538	20	1 467	-	**7 283**
As at 30.06.2013	-	331247	227 887	1 330	50 898	-	**611 362**
	-	-	-	-	-	-	**-**
Impairment write-downs							
As at 01.01.2013	-	30 573	6 391	-	408	58	**37 430**
Additions	-	3 882	312	-	-	-	**4 194**
Disposals	-	(846)	(158)	-	(16)	-	**(1 020)**
Foreign exchange differences	-	546	90	-	1	-	**637**
As at 30.06.2013	-	34 155	6 635	-	393	58	**41 241**
Net book value as at 01.01.2013	**10 137**	**531 957**	**254 949**	**1 938**	**82 845**	**79 015**	**960 841**
Adjsutments (note 2)	**-**	**363**	**-**	**-**	**-**	**-**	**363**
Net book value as at 01.01.2013 (after adjstments)	**10 137**	**532 320**	**254 949**	**1 938**	**82 845**	**79 015**	**961 204**
Net book value as at 30.06.2013	**14 333**	**538 425**	**278 637**	**1 696**	**77 731**	**107 475**	**1 018 297**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

2012	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
Gross value							
As at 01.01.2012	10 478	811 361	514 265	2 091	101 181	74 987	**1 514 363**
Additions	11	55 284	48 527	357	21 238	5 914	**131 331**
Disposals	-	(4 984)	(8 276)	-	(1 162)	(994)	**(15 416)**
Discontinued operations	-	(69 779)	(100 415)	-	-	(4 015)	**(174 209)**
Foreign exchange differences	(170)	(9 412)	(5 897)	(25)	(1 565)	(750)	**(17 819)**
As at 30.06.2012	10 319	782 470	448 204	2 423	119 692	75 142	**1 438 250**
Accumulated depreciation							
As at 01.01.2012	-	267 220	237 446	1 119	33 275	-	**539 060**
Additions	-	36 774	36 456	238	9 724	-	**83 192**
Disposals	-	(4 137)	(7 894)	(7)	(1 139)	-	**(13 177)**
Foreign exchange differences	-	(19 124)	(56 327)	-	-	-	**(75 451)**
As at 30.06.2012	-	(2 197)	(2 514)	(10)	(444)	-	**(5 165)**
Impairment write-downs							
As at 01.01.2012	-	15 919	4 774	-	581	719	**21 993**
Additions	-	3 140	671	13	-	(652)	**3 172**
Disposals	-	(413)	(29)	(13)	(1)	-	**(456)**
Foreign exchange differences	-	(114)	(39)	-	(2)	(9)	**(164)**
As at 30.06.2012	-	18 532	5 377	-	578	58	**24 545**
Net book value as at 01.01.2012	**10 478**	**528 222**	**272 045**	**972**	**67 325**	**74 268**	**953 310**
Net book value as at 30.06.2012	**10 319**	**485 402**	**235 660**	**1 083**	**77 698**	**75 084**	**885 246**

The depreciation was charged to the costs of restaurant operations – PLN 77.731 thousand (prior period: PLN 79.244 thousand), franchise expenses and other – PLN 1.818 thousand (prior period: PLN 1.669 thousand) and administrative expenses PLN 2.714 thousand (prior period: PLN 2.279 thousand). The depreciation increased discontinued operation costs in prior perios by PLN 9.439 thousand.

8. Other intangible assets

The table below presents changes in the value of intangible assets in 2013 and 2012:

2013	Proprietar y brands	Favou-rable leases and licence agree-ments	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, Applebee's, trademarks	Other intangible assets	Relations with franchisee s	**Total**
Gross value						
As at 01.01.2013	284 488	6 404	54 383	77 536	175 793	**598 604**
Increases	-	-	3 047	3 804	-	**6 851**
Decreases	-	-	(458)	(940)	-	**(1 398)**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

2013	Proprietary brands	Favou-rable leases and licence agree-ments	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, Applebee's, trademarks	Other intangible assets	Relations with franchisees	**Total**
Foreign exchange differences	17 284	272	446	2 460	10 363	**30 825**
As at 30.06.2013	301 772	6 676	57 418	82 860	186 156	**634 882**
Accumulated amortization						
As at 01.01.2013	32	2 620	24 052	35 631	12 202	**74 537**
Increases	483	577	2 271	3 676	3 743	**10 750**
Decreases	-	-	(524)	(381)	-	**(905)**
Foreign exchange differences	25	114	229	925	855	**2 148**
As at 30.06.2013	540	3 311	26 028	39 851	16 800	**86 530**
Impairment write-downs						
As at 01.01.2013	101	-	1 128	756	-	**1 985**
Increases	-	-	260	39	-	**299**
Decreases	-	-	-	-	-	**-**
Foreign exchange differences	-	-	9	16	-	**25**
As at 30.06.2013	101	-	1 397	811	-	**2 309**
Net value as at 01.01.2013	**284 355**	**3 784**	**29 203**	**41 149**	**163 591**	**522 082**
Net value as at 30.06.2013	**301 131**	**3 365**	**29 993**	**42 198**	**169 356**	**546 043**

2012	Proprietary brands	Favou-rable leases and licence agree-ments	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, Applebee's trademarks	Other intangible assets	Relations with franchisees	**Total**
Gross value						
As at 01.01.2012	287 092	7 914	60 788	86 684	189 922	**632 400**
Increases	-	240	4 446	5 668	-	**10 354**
Decreases	-	-	(398)	(148)	-	**(546)**
Discontinued operations	-	(1 273)	(12 768)	(15 126)	-	**(29 167)**
Foreign exchange differences	(10 107)	(216)	(651)	(1 224)	(6 686)	**(18 884)**
As at 30.06.2012	276 985	6 665	51 417	75 854	183 236	**594 157**
Accumulated amortization						
As at 01.01.2012	-	1 914	28 969	32 140	5 330	**68 353**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Increases	-	634	2 342	3 463	3 804	**10 243**
Decreases	-	-	(354)	(80)	-	**(434)**
Foreign exchange differences	-	(358)	(7 573)	(1 928)	-	**(9 859)**
As at 30.06.2012	-	(36)	(313)	(370)	(172)	**(891)**
Impairment write-downs						
As at 01.01.2012	-	-	837	17	-	**854**
Increases	-	-	148	714	-	**862**
Foreign exchange differences	-	-	(4)	(9)	-	**(13)**
As at 30.06.2012	-	-	981	722	-	**1 703**
Net value as at 01.01.2012	**287 092**	**6 000**	**30 982**	**54 527**	**184 592**	**563 193**
Net value as at 30.06.2012	**276 985**	**4 511**	**27 365**	**41 907**	**174 274**	**525 042**

Other intangible assets cover mainly computer software.

Own brands with indefinite useful life value as at June 30, 2013 was equal to PLN 281.346 thousand and as at June 30, 2012 PLN 287.092 thousand.

The amortization was charged to the costs of restaurant operations – PLN 4.201 thousand (prior period: - PLN 3.827 thousand), franchise expenses and other – PLN 3.756 thousand (prior period: PLN 3.821 thousand) and administrative expenses - PLN 2.793 thousand (prior period: PLN 2.595 thousand). The amortization increased discontinued operation costs in prior period by PLN 542 thousand.

9. Goodwill

The table below presents changes in the value of goodwill:

	30.06.2013	**31.12.2012**
Gross value		
At the beginning of the period	613 427	722 348
Adjustments	(540)	-
At the beginning of the period	612 887	722 348
Acquisition (note 2)	-	77 330
Decreases (note 6a)	-	(139 671)
Foreign exchange differences	29 010	(47 120)
At the end of the period	641 897	612 887
Impairment write-downs		
At the beginning of the period	1 900	-
Increases	395	1 936
Foreign exchange differences	34	(36)
At the end of the period	2 329	1 900
Net book value as at the beginning of the period	**610 987**	**722 348**
Net book value as at the end of the period	**639 568**	**610 987**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Acquisitions in previous years

Below table presents changes of goodwill in division of particular acquisitions as at June 30, 2013 and December 31, 2012.

	Acquisition date	**As at 01.01.2013**	**Opening balance adjstments (note 2)**	**As at 01.01.2013**	Increase (note 2)	Decrease (note 0)	Impairment	Foreign exchange differences	**As at 30.06.2013**
miklik's food s.r.o.	May 2005	5 839	-	5 839	-	-	-	140	5 979
AmRest Kft (previously: Kentucky System Kft)	June 2006	17 337	-	17 337	-	-	-	851	18 188
OOO AmRest (previously: OOO Pizza Nord)	July 2007	111 947	-	111 947	-	-	(395)	(434)	111 118
9 restaurants RostiksKFC	April 2008	27 805	-	27 805	-	-	-	(109)	27 696
5 restaurants RostiksKFC	June 2008	3 596	-	3 596	-	-	-	(14)	3 582
AppleGrove Holdings LLC	July 2008	-	-	-	-	-	-	-	-
SCM Sp.z o.o.	October 2008	911	-	911	-	-	-	-	911
Restauravia Grupo Empresarial S.L.	April 2011	366 222	-	366 222	-	-	-	21 589	387 811
Blue Horizon Hospitality PTE Ltd.	December 2012	77 870	(540)	77 330	-	-	-	6 953	84 283
		611 527	**(540)**	**610 987**	**-**	**-**	**(395)**	**28 976**	**639 568**

	Acquisition date	**As at 01.01.2012**	Increase (note 2)	Decrease (note 8)	Impairment	Foreign exchange differences	**As at 31.12.2012**	**Closing balance adjstments (note 2)**	**As at 31.12.2012 after adjustments**
miklik's food s.r.o.	May 2005	6 130	-	-	-	(291)	5 839	-	5 839
AmRest Kft (previously: Kentucky System Kft)	June 2006	18 476	-	-	(890)	(249)	17 337	-	17 337
OOO AmRest (previously: OOO Pizza Nord)	July 2007	117 878	-	-	(1 046)	(4 885)	111 947	-	111 947
9 restaurants RostiksKFC	April 2008	29 008	-	-	-	(1 203)	27 805	-	27 805
5 restaurants RostiksKFC	June 2008	3 752	-	-	-	(156)	3 596	-	3 596
AppleGrove Holdings LLC	July 2008	150 537	-	(139 673)	-	(10 864)	-	-	-
SCM Sp.z o.o.	October 2008	911	-	-	-	-	911	-	911
Restauravia Grupo Empresarial S.L.	April 2011	395 656	-	-	-	(29 434)	366 222	-	366 222
Blue Horizon Hospitality PTE Ltd.	December 2012	-	77 870	-	-	-	77 870	(540)	77 730
		722 348	**77 870**	**(139 673)**	**(1 936)**	**(47 082)**	**611 527**	**(540)**	**610 987**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

10. Inventories

As at June 30, 2013 and December 31, 2012, inventories cover mainly food and packaging used in the restaurants and additionally finished goods and work in progress prepared by central kitchen for the sale of La Tagliatella restaurants purposes. Inventories are presented in net value including write-downs. Inventory write-downs as at June 30, 2013 and June 30, 2012 amounted to PLN 421 thousand and PLN 89 thousand. In the income statement for the year ended June 30, 2013 new inventory write-down was recorded in the value of PLN 611 thousand.

11. Trade and other receivables

	30.06.2013	31.12.2012
Trade receivables from non-related entities	50 406	61 766
Trade receivables from related entities (note 22)	7	8
Other tax receivables	9 952	27 360
Other	9 150	7 316
Write-downs of receivables	(6 964)	(5 467)
	62 551	**90 983**

12. Other financial assets and liabilities

	30.06.2013	31.12.2012
Derivative financial instruments	-	-
Other financial assets	-	-
Other current financial assets	-	-
Other non-current financial assets	-	-
Cash flow hedges (foreign currency contracts)		
contract forward HUF/PLN	-	*196*
contract forward USD/PLN	*7 346*	*471*
contract forward EUR/PLN	-	*14*
Derivative financial instruments total	7 346	681
Derivative financial instruments current	7 346	681
Derivative financial instruments non current	-	-
Other financial assets total	**7 346**	**681**
Other current financial assets total	7 346	681
Other non-current financial assets total	-	-

Gain or loss from revaluation at appropriate exchange rate as of end of financial period of signed forward contracts and instruments from delayed payments are reconciled in income statements.

Fair value estimation

As at financial statement publishing date fair value of financial instruments which are in turnover on active market bases on market quotation. Fair value of financial instruments which aren't in turnover on active market is calculated by using valuation techniques. The Group uses different methods and assumes assumptions based on market conditions as at each balance sheet date. Fair value of financial assets available for sale, which aren't in turnover on active market, is calculated with using sector indexes and last available financial information concerned investment. Fair value of currency exchange rate option and forwards is calculated based on valuation made by banks which issued the instrument. Balance sheet value of trade receivables including impairment and balance sheet value of trade payables are similar to their fair values due to short term capacity.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Following fair value valuations concerned financial instruments were used by the Group:

- quoted prices (not adjusted) from active markets for the same assets and liabilities (Level 1),
- input data different from quoted prices included in Level 1, which are observed for assets and liabilities directly (as prices) or indirectly (based on prices) (Level 2),
- input data for valuation of assets and liabilities , which don't base on possible to observe market data (input data not observed) (Level 3).

	Level 1	Level 2	Level 3	31.12.2012
Assets from derivatives	-	1 662	-	1 662
Total other financial assets	**-**	**1 622**	**-**	**1 662**
Derivative financial instruments liabilities	-	210	-	210
Total other financial liabilities	**-**	**210**	**-**	**210**
Liability from deferred payment	-	412	-	412

Financial assets and liabilities available for sale belong to the "CEE" segment, their fair value was based on valid stock exchange quoting being on active market. As at June 30, 2013 the Group didn't possess financial instruments valuated at fair value.

Deferred payment liability (please refer to note 0 and note 17) is based on actuarial valuation of asset quated on active stock exchange. Within this instrument EBITDA Consulting S.L. is committed to invest net proceeds from the transaction into acquisition of AmRest shares, within 9 months from the closing date. The Group and Ebitda Consulting S.L. agreed for a price correction mechanism, and both parties will split equally any positive or negative difference between share investment amount and the effective price paid by Ebitda Consulting S.L. to acquire AmRest shares. Ebitda Consulting S.L. agreed not to divest AmRest shares to any third party for a period of 2 years from the Closing Date ("Lock-up"). In case of base valaution asset price change by 10% the estimated liability valuation wuld change bya approximately PLN 1,4 mln

For the purpose of the risk management related to certain transaction within the Group are used forward currency contracts. Open contracts as at June 30, 2013 are not designated as cash flow hedges, fair value hedges or net investment hedges in foreign operations. They are signed for periods not longer than risk exposition periods, prevailing for one to tvelve months.

The Group is exposed to several financial risks in connection with its activities, including: the risk of market fluctuations (covering the foreign exchange risk and risk of changes in interest rates), risk related to financial liquidity and – to a limited extent – credit risk. The risk management program implemented by the Group is based on the assumption of the unpredictability of the financial markets and is used to maximally limit the impact of negative factors on the Company's financial results.

Risk management is based on procedures approved by the Management Board.

Credit risk

Financial instruments especially exposed to credit risk include cash and cash equivalents, receivables, derivatives and investments held to maturity. The Group invests cash and cash equivalents with highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to the fact that sales are based mainly on cash and credit card payments. The Group set up an additional impairment write-down of PLN 687 thousand for the Group's receivables exposed to credit risk and in for the 6 months ended June 30, 2013. The maximum credit risk exposure amounts to PLN 306.629 thousand.

Interest rate risk

Bank borrowings drawn by the Group are most often based on fluctuating interest rates (note 15). As at June 30, 2013 the Group does not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The Group analyzes the market position relating to interest on loans in terms of potential refinancing of debt or renegotiating the lending terms and conditions. The impact of changes in interest rates on results are analyzed in quarterly periods.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Foreign exchange risk

The Group is exposed to foreign exchange risk related to transactions in currencies other than the functional currency in which the business operations are measured in particular Group companies. Foreign exchange risk results from future business transactions, recognized assets and liabilities. Moreover, lease payments related to a significant part of the Group's lease agreements are indexed to the exchange rate of the American dollar or the euro. Nevertheless, the Group is trying to sign lease agreements in local currencies whenever possible, but many landlords require that the lease payments be indexed to the euro or to the American dollar.

For hedging transactional risk and risk resulting from revaluation of recognized assets and liabilities Group uses derivative forward financial instruments.

Net investment foreign currency valuation risk

Group is exposed to risk of net investment valuation in subsidiaries valued at foreign currencies. This risk is hedged for key positions with use of net investment hedge.

Group applies hedging accounting for revaluation of borrowings, forwards and put option liability in EUR and USD which constitutes net investment hedges in American, Hungarian and Spanish related parties. Details concerning hedging on currency risk are described in note 14.

Liquidity risk

Prudent financial liquidity management assumes that sufficient cash and cash equivalents are maintained and that further financing is available from guaranteed funds from credit lines.

The table below shows an analysis of the Group's financial liabilities which will be settled in net amounts in particular ageing brackets, on the basis of the term to maturity as at the balance sheet date. The amounts shown in the table constitute contractual, undiscounted cash flows.

The maturity break-down of long- and short-term borrowings as at June 30, 2013 and December 31, 2012 is presented in note 15.

Capital risk

The Group manages capital risk to protect its ability to continue in operation, so as to enable it to realize returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost. Financing at the level of 3,5 of yearly EBITDA is treated as acceptable target and safe level of capital risk.

The Group monitors capital using the gearing ratio. The ratio is calculated as net debt to the value of EBITDA. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents. EBITDA is calculated as the profit from operations before interest, taxes, depreciation and amortization and impairment.

The Group's gearing as at June 30, 2013 and December 31, 2012 is as follows:

	30.06.2013	**31.12.2012**
Total borrowings (note 21)*	1 018 617	916 902
Finance lease liabilities (note 27)	4 889	3 681
Less: Cash and cash equivalents (note 18)*	(237 819)	(143 960)
Net debt	785 687	776 623
Income from operating activity before interests, tax, depreciation, gain/loss on fixed assets sale and impaiment after adjustment of profit from sold assets in USA*	271 726	322 793
Gearing ratio	**2,9**	**2,0**

*excluding data concerned Blue Horizon

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

The increase e in the gearing ratio as at June 30, 2013 results mainly from increase in net debt used mostly for settlement of non-controlling interests buyout in AmRest TAG S.L. Group.

13. Cash and cash equivalents

Cash and cash equivalents as at June 30, 2013 and June 30, 2012 are presented in the table below:

	30.06.2013	**31.12.2012**
Cash at bank	205 239	166 507
Cash in hand	38 603	40 572
	243 842	**207 079**

Reconciliation of working capital changes as at June 30, 2013 and June 30, 2012 is presented in the table below:

2013	The balance sheet change	Increase from acquisition (note 2)	Decrease due to sale of assets in USA	Put option valuation and settlement	Foreign exchange difference s	rEclasificati on to other lines in cash flow	Working capital changes
Change in receivables	30 191	(1 553)	-	-	2 799	-	31 437
Change in inventories	(2 219)	-	-	-	1 543	-	(676)
Change in other assets	(13 426)	-	-	-	1 551	-	(11 875)
Change in payables and other liabilities	(161 865)	-	-	154 059	(4 132)	-	(11 938)
Change in other provisions and employee benefits	3 017	-	-	-	(477)	-	2 540

2012	The balance sheet change	Increase from acquisition (note 2)	Decrease due to sale of assets in USA	Put option valuation and recognition	Foreign exchange differences	Working capital changes
Change in receivables	30 931	-	-	-	(1 390)	29 541
Change in inventories	3 584	-	(6 641)	-	(844)	(3 901)
Change in other assets	(9 420)	-	(2 142)	-	(1 038)	(12 600)
Change in payables and other liabilities	(55 177)	-	-	217	2 666	52 294
Change in other provisions and employee benefits	(827)	-	-	-	1 975	1 148

14. Equity

Share capital

As described in note 1a) On April 27, 2005, the shares of AmRest Holding SE were floated on the Warsaw Stock Exchange (“WSE”).

As at June 30, 2013, the Company held 21 213 893 issued, fully paid-up shares. The Company’s target capital is 500 000 shares. Nominal value of one share is 1 eurocent (0.01 EUR).

Holders of ordinary shares are authorized to receive dividend and have voting rights at the Group’s General Shareholders’ Meetings (“AGM”) proportionate to their holdings.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Other supplementary capital

Structure of other supplementary capital is as follows:

	Surplus over nominal value (share premium)	Non-refundable additional contributions to capital without additional issuance of shares made by the Group's shareholders before their debut on the WSE	Impact of put option value-tion	Employee Options	Hedges valuation influence	Trans-actions with non control-ling interests	Reserves total
As at 01.01.2013	**755 692**	**6 191**	**(165 303)**	**19 526**	**7 404**	**(12 746)**	**610 764**
COMPREHENSIVE INCOMES							
Impact of net investment hedges valuation	-	-		-	(27 356)	-	**(27 356)**
Impact of put option valuation	-	-	(11 232)	-	-	-	**(11 232)**
Deferred income tax concerning net investment hedges	-	-	-	-	5 198	-	**5 198**
Comprehensive income total	-	-	(11 232)	-	(22 158)	-	**(33 390)**
TRANSACTIONS WITH NON-CONTROLLING INTERESTS							
Non-controlling interests reconciliation due the put option settlement	-	-	137 447	-	-	-	**137 447**
Transactions with non-controlling interests total	-	-	137 447	-	-	-	**137 447**
TRANSACTIONS WITH SHAREHOLDERS							
Employees share option scheme –value of service	-	-	-	4 359	-	-	**4 359**
Transactions with shareholders total	-	-	-	4 359	-	-	**4 359**
As at 30.06.2013	**755 692**	**6 191**	**(39 088)**	**23 885**	**(14 754)**	**(12 746)**	**719 180**
As at 01.01.2012	**755 692**	**6 191**	**(180 084)**	**14 300**	**(15 099)**	**(12 746)**	**568 254**
COMPREHENSIVE INCOMES							
Impact of net investment hedges valuation	-	-	-	-	(6 297)	-	**(6 297)**
Impact of cash flow hedges valuation	-	-	-	-	-	-	
Impact of put option valuation as net investment hedges	-	-	6 179	-		-	**6 179**
Deferred income tax concerning net investment hedges	-	-	-	-	1 197	-	**1 197**
Comprehensive income total	-	-	6 179	-	(5 100)	-	**1 079**
TRANSACTIONS WITH SHAREHOLDERS							
Own shares purchase	-	-	-	-	-	-	**-**
Employees share option scheme –value of service	-	-	-	3 351	-	-	**3 351**
Transactions with shareholders total	-	-	-	3 351	-	-	**3 351**
As at 30.06.2012	**755 692**	**6 191**	**(173 905)**	**17 651**	**(20 199)**	**(12 746)**	**572 684**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

As at June 7, 2013 was signed agreement for purchase of non controlling shares in AmRest TAG Group S.L., which was finalized at June 28, 2013. As a consequence of obtaining full control over Spanish Group noncontrolling interests in value of PLN 137.447 thousand were presented as part of other reserve capital. This accounting treatment is an effect of applied accounting policy for initial recognition on contolling interests of AmRest TAG S.L. acquisition together with put/call option on non-controlling interests. Initial recognition of put option liability valuations decreased other recerve capital while paralelal within purchase price allocation goodwill included fair value of non controlling interests.

Within the bank loans as at June 30, 2013 was disclosed loan for the amount of USD 42.5 million, which foreign exchange currency risk is hedged with forward contracts.

As well within the bank loans as at June 30, 2013was disclosed loan for the amount of EUR 68 million, which is hedging net investment in Hungarian subsidiary AmRest Capital Zrt, it hedges Group against the foreign currency risk resulting from revaluations of net assets. Gain or loss from revaluation at appropriate exchange rate as of end of financial period of this liability balance are reflected into reserve capital in order to net the effect gains and losses on net investment in subsidiaries revaluation. During the period for the 6 months ended June 30, 20131 hedge was fully effective.

In loans and borrowings as at June 30, 2013 are included loans for value of EUR 50 million that are net investment hedges in Spanish subsidiary AmRest TAG S.L., hedging Group from currency exchange risk resulting from revaluation of net assets. Gain or loss from revaluation at appropriate exchange rate as of end of financial period of this liability balance are reflected into reserve capital in order to net the effect gains and losses on net investment in subsidiaries revaluation. Duringthe period for the 6 months ended June 30, 2013 hedge was fully effective.

Group applies hedging accounting for revaluation of put option liability constituting net investment hedges in Spanish related party till the final option settlement date as June 28, 2013. As at June 30, 2013 hedged position of Spanish group net assets was part of consolidated interim condensed financial statements therefore cumulated value of currency revaluation was still recognized in reserve capital and accounted for PLN 16.443 thousand. During the period for the 6 months ended June 30, 20131 hedge was fully effective.

Net investment hedges as at June 30, 2013 and as at June 30, 2012are presented in the table below:

	Net investment hedge				
	AmRest Capital Zrt 68 mln EUR	AmRest TAG S.L. 50 mln EUR	AmRest LLC 42,5 mln USD	Put Option AmRest TAG S.L.	**Total**
Cumulative currency valuation recognised in equity till 30.6.2013	9 852	8 635	0	16 443	**34 930**
Cumulative currency valuation recognised in equity for the period of 6 months ended 30.6.2013	16 388	10 968	0	11 233	**38 589**
Cumulative currency valuation recognised in equity till 30.6.2012	6 672	997	17 269	13 812	**38 750**
Cumulative currency valuation recognised in equity for the period of 6 months ended 30.6.2012	6 672	997	-1 372	-6 179	**118**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

	Net investment hedge				
	AmRest Capital Zrt 68 mln EUR	AmRest TAG S.L. 50 mln EUR	AmRest LLC 42,5 mln USD	Put Option AmRest TAG S.L.	**Total**
Deffered tax on cumulative currency valuation recognised in equity till 30.6.2013	-1 872	-1 641	0	0	**-3 512**
Deffered tax on cumulative currency valuation recognised in equity for the period of 6 months ended 30.6.2013	-3 114	-2 084	0	0	**-5 198**
Deffered tax on cumulative currency valuation recognised in equity till 30.6.2012	-1 268	-189	-3 281	0	**-4 738**
Deffered tax on cumulative currency valuation recognised in equity for the period of 6 months ended 30.6.2012	-1 269	-189	261	0	**-1 197**

Foreign exchange differences on translation

Foreign exchange differences on translation cover all the foreign exchange differences resulting from the translation of the financial statements of the Group’s foreign operations into Polish zloties.

	For the 6 months ended June 30, 2013	**For the 6 months ended June 30, 2012**
At the beginning of the period	18 116	136 373
Foreign exchange differences from net assets revaluation in subsidiaries	57 742	(11 796)
At the end of the period	**75 858**	**124 577**

15. Borrowings

Borrowings as at June 30, 2013 and December 31, 2012 are presented in the table below:

Long-term	**30.06.2013**	**31.12.2012**
Bank loans	516 843	461 610
Bonds	289 107	149 497
	805 950	611 107

Short-term	**30.06.2013**	**31.12.2012**
Bank loans	207 132	181 975
Bonds	5 535	-
	212 667	181 975

Bank loans and bonds

Currency	Lender/ bookbuilder	Effective interest rate	30.06.2013	31.12.2012
in PLN	Syndicated bank loan	5,90 %	20 508	20 253
in USD	Syndicated bank loan	2,73%	139 770	129 956
in EUR	Syndicated bank loan	3,24%	509 470	440 150
in CZK	Syndicated bank loan	3,31%	53 622	52 307
in PLN	Bonds 5 years (issued in 2009)	7,44%	155 216	149 497
in PLN	Bonds 5 years (issued in 2013)	5,17%	139 426	-
other	Overdraft- China	-	605	919
			1 018 617	**793 082**

Bank loans comprise mainly investment loans bearing a variable interest rate based on reference rates WIBOR, PRIBOR, USD-LIBOR and EURIBOR. Exposure of the loans to interest rate risk and contractual dates for changing the interest rates occur in 3-month cycles.

On 11 October 2010, a credit agreement was signed between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. ('Borrowers') and Bank PEKAO S.A., RBS Bank (Polska) S.A., The Royal Bank of Scotland plc (formerly The Royal Bank of Scotland N.V.) and Bank Zachodni WBK S.A. Under the above-mentioned agreement the Group was granted a loan amounting to PLN 440 million. The loan should be repaid by October 11, 2015. It covers two tranches and is earmarked for repayment of liabilities resulting from the credit agreement dated December 15, 2008 and further financing of the development of AmRest. All the Borrowers are jointly and severally responsible for discharging the obligations resulting from the credit agreement. Additionally, Group companies – OOO AmRest, AmRest LLC, AmRest TAG S.L., AmRestavia S.L., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., AmRest Services Sp. z o.o. S.K.A., AmRest Finance Zrt and AmRest Capital Zrt – granted guarantees to the financing banks. These companies guarantee that the Borrowers will discharge their obligations following from the credit agreement until the loan is repaid.

According to the appendix to the credit agreement, dated April 18, 2011, loan value was increased by EUR 80 million within tranches C1 and C2. Additional funds were assigned for financing the acquisition of majority shares in Restauravia Grupo Empresarial S.L. The final repayment of tranches C1 and C2 falls due on October 11, 2015.

As at August 8, 2011 all parties of credit agreement signed with Rabobank Polska S.A. the appendix according to which Rabobank Polska S.A. joined the consortium as the additional lender and took over part of debt from RBS Bank (Polska) S.A. and The Royal Bank of Scotland plc (formerly The Royal Bank of Scotland N.V.). Loan value, interests, repayment date and other crucial terms of the agreement remained unchanged.

According to the appendix to the credit agreement, dated February 28, 2012, loan value was increased by EUR 50 million within tranche D. Additional funds were assigned for further financing of the development of AmRest restaurant chain in European countries. The final repayment falls due on October 11, 2015. As at June 30, 2013 AmRest Sp. z o.o. used EUR 50 million within tranche D.

The Group is obliged to maintain specific financial ratios at a level specified in the agreement. This includes net gearing (net debt to annualized EBITDA), net gearing modified by operational leases effect (net debt increased by annual operational leases multiplied by 6 times to annualized EBITDAR), interest coverage ratio and balance sheet structure ratio (net asset ratio defined as consolidated net capital per the shareholders of the Parent company divided by the balance sheet total). Group is obliged to keep temporary agreed minimal liquidity buffer. As at June 30, 2013, the above ratios were not exceeded.

The effective interest rates are similar to the market rates for specific borrowings. Therefore, the fair value of the liabilities presented above does not differ significantly from their carrying amounts.

As at December 7, 2009 AmRest Holdings SE signed with RBS Bank (Polska) S.A. and Bank Pekao S.A. agreement for bonds issuance ("5years bonds"), on the basis of which was released option program for corporate bonds of AmRest, allowing to issue bonds in total maximum value of PLN 300 million, where bonds in the value of PLN 150 million were issued already. Agreement was signed for agreed period till July 9, 2015 with period extension options till repayment of all issued bonds.

On August 22, 2012 above mentioned agreement was replaced with the new one between AmRest Holding SE, AmRest Sp. z o.o. and Bank Pekao S.A. for the fixed date till December 31, 2019. The prolongation option is till redemption of all bonds issued. The total maximum value of the program remained the same and is equal to PLN 300 million. As at June 28, 2013 were issued bonds for PLN 140 million. As at June 30, 2013 the payables concerning bonds issued are PLN 294.642 thousand. Group is also required to keep certain ratios at levels agreed in Emission Terms dated June 18, 2013 . Ratios are reflecting already applicable formulas from credit facility agreement described above, modified for lack of net gearing modified by operational leases effect and temporary agreed minimal liquidity buffer.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

The maturity of long- and short-term loans as at June 30, 2013 and December 31, 2012 is presented in the table below:

	30.06.2013	31.12.2012
Up to 1 year	212 667	181 975
Between 1 and 2 years	376 167	200 671
Between 2 and 5 years	429 783	410 436
More than 5 years	-	-
	1 018 617	**793 082**

The Group has the following unused, awarded credit limits as at June 30, 2013 and December 31, 2012:

	30.06.2013	31.12.2012
With floating interest rate		
- expiring within one year	33 904	64 384
- expiring beyond one year	201 018	350 000
	234 922	**414 384**

16. Other non-current liabilities

Other non-current liabilities cover the long-term portion of deferred income of rents. Deferred income amount PLN 10.639 thousand and PLN 9.675 thousand respectively as at June 30, 2013 and December 31, 2012.

17. Trade and other payables

Trade and other payables as at June 30, 2013 and December 31, 2012 cover the following items:

	30.06.2013	31.12.2012
Payables to non-related entities, including:	270 599	251 530
Trade payables	134 781	154 905
Payables in respect of uninvoiced lease fees and deliveries of food	2 124	4 860
Employee payables	29 989	21 241
Social insurance payables	17 176	12 627
Other tax payables	15 530	14 561
Payables for deferred put option settlement	35 323	-
Payables concerning onerous leases / deffered sales settlement of 3 Applebee's restaurants	15 599	12 268
Gift voucher liabilities	226	317
Payables concerned mergers and acquisitions	-	3 901
Other payables to non-related entities	19 851	26 850
Liabilities to related entities (note 22)	123	64
Accruals, including:	58 686	67 889
Employee bonuses	16 896	21 448
Marketing services	3 833	4 956
Holiday pay accrual	11 129	8 803
Professional services	5 415	3 914
Franchise fees	6 221	6 927
Lease cost provisions	9 941	11 565
Investment payables accrual	3 384	8 853
Other	1 867	1 423
Deferred income – short-term portion	17 583	955
Social fund	47	47
Total trade and other payables	**347 038**	**320 485**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

18. Finance lease liabilities

Financial lease liabilities – current portion:

	30.06.2013	31.12.2012
Payable within 1 year	434	372
Payable from 1 to 5 years	2 519	2 337
Payable after 5 years	1 936	2 139
	4 889	**4 848**

Finance lease liabilities – minimum lease payments:

	30.06.2013	31.12.2012
Payable within 1 year	627	1 138
Payable from 1 to 5 years	2 970	4 977
Payable after 5 years	2 636	3 895
Total minimum lease payments	6 233	10 010
Future finance costs in respect of finance leases	(1 344)	(5 162)
Present value of finance lease liabilities	**4 889**	**4 848**

19. Operating leases

The Group concluded many irrevocable operating lease agreements, mainly relating to leases of restaurants. In respect of restaurants, lease agreements are concluded on an average for a period of 10 years and require a minimum notice period on termination.

The expected minimum lease fees relating to operating leases without the possibility of earlier notice are presented below:

	30.06.2013	31.12.2012
Payable within 1 year	434	372
Payable from 1 to 5 years	2 519	2 337
Payable after 5 years	1 936	2 139
Total minimum lease payments	**4 889**	**4 848**

In respect of many restaurants (especially those in shopping malls) lease payments comprise two components: a fixed fee and a conditional fee depending on the restaurant's revenues. The conditional fee usually constitutes from 2.5% to 9% of a restaurant's revenue.

20. Future commitments and contingent liabilities

In accordance with the franchise agreements signed, the Group is obliged to periodically improve the standard, modify, renovate and replace all or parts of its restaurants or their installations, marking or any other equipment, systems or inventories used in restaurants to make them compliant to the current standards. The agreements require no more than one thorough renovation of all installations, markings, equipment, systems and inventories stored in the back of each restaurant to comply to the current standards, as well as no more than two thorough renovations of all installations, markings, equipment, systems and inventories stored in the dining rooms of each of the restaurants during the period of a given franchise agreement or the period of potential extension of the agreement. The expenses for the purpose forecast by the Group amount to ca. 1.5% of annual sales form the restaurants' operations in the future periods.

Other future commitments resulting from the agreements with the Burger King, Starbucks and Applebee's and the current and future franchise agreements were described in note 1a) and note 1j).

According to Group Management above mentioned requirements are fulfilled and any discrepancies are communicated to third parties, mitigating any potential risks affecting business and financial performance of the Group.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

21. Investment in associates

Changes to the value of investments in associates in consecutive periods are presented in the table below:

	30.06.2013	**31.12.2012**
At the beginning of the period	434	140
Share in profits and losses of associates	101	39
Dividend payment	(91)	(61)
Shares impairment	(282)	-
Purchase of shares in associated companies.	-	316
Balance as at the end of the year	**162**	**434**

The Group's share in associates and the basic financial data of the entities are as follows:

Name of associate	Country of registration	Assets	Liabilities	Revenues	Profit/ (Loss)	Shares held (%)
June 30, 2013						
SCM s.r.o.	Czech	327	112	530	87	45,90
BTW Sp.z o.o.	Poland	504	195	527	(71)	25,50
June 30, 2012						
SCM s.r.o.	Czech	295	94	488	80	45,90
BTW Sp.z o.o.	Poland	423	29	-	(106)	25,50

22. Transactions with related entities

Trade and other receivables from related entities

	30.06.2013	**31.12.2012**
MPI Sp. z o. o.	6	4
Associates	1	4
	7	**8**

Trade and other payables to related entities

	30.06.2013	**31.12.2012**
MPI Sp. z o. o.	121	33
Associates	2	31
	123	**64**

Sales of goods for resale and services

	For the 6 months ended June 30, 2013	**For the 6 months ended June 30, 2012**
MPI Sp. z o. o.	20	7
Associates	123	10
	143	**17**

Purchase of goods for resale and services

	For the 6 months ended June 30, 2013	**For the 6 months ended June 30, 2012**
MPI Sp. z o. o.	937	127
Associates	-	-
	937	**127**

Other related entities

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Group shareholders

As at June 30, 2013, WP Holdings VII B.V. was the largest shareholder of AmRest and held 32.99% of its shares and voting rights, and as such was its related entity. No material transactions with WP Holdings VII B.V. related parties were noted.

Transactions with the management/Management Board, Supervisory Board

The remuneration of the Management Board of AmRest Holdings SE paid by the Group was as follows:

	For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012
Remuneration of the members of the Management and Supervisory Boards paid directly by the Group	2 445	2 145
Total remuneration paid to the Management Board and Supervisory Board	**2 445**	**2 145**

On February 18, 2011 Wojciech Mroczyński signed sabbatical agreement with AmRest Sp. z o.o. According to the agreement, the remuneration for sabbatical leave period from March 1, 2011 to February 29, 2012 will be offset with bonus payable for first 3 years between 2012, 2013 and 2014. In the event of Wojciech Mroczyński voluntarily leaving the Company or being terminated for cause during the period between March 1, 2012 and February 28, 2018 he will reimburse the Company the unamortized portion of sabbatical remuneration net of income taxes and other statutory charges withheld from the remuneration received for the sabbatical period pro-rata based on the amortization period mentioned above, referred to as net sabbatical remuneration. Wojciech Mroczyński was re-appointed as a Management Board Member of the Company on March 31, 2012. As at June 30, 2013 the balance of net sabbatical remuneration is PLN 180 thousand decreased about PLN 230 thousand from base level PLN 410 thousand.

The Group's key employees also participate in an employee share option plan. The costs relating to the employee option plan in respect of management amounted to PLN 2.036 thousand and PLN 1.158 thousand respectively in the 6 month period ended June 30, 2013 and June 30, 2012.

		For the 6 months ended June 30, 2013	For the 6 months ended June 30, 2012
Number of options awarded		650 750	451 750
Number of available options		126 417	117 700
Fair value of options as at the moment of awarding	PLN	15 887 751	10 842 756

As at June 30, 2013 and 2012, there were no liabilities to former employees.

23. Events after the Balance Sheet Date

On July 31, 2013 Supervisory Board has appointed again Mark Chandler and Drew O'Malley for AmRest Holdings S.E. Managements Board members.

Signatures of Board Members

Drew O'Malley AmRest Holdings SE Board Member	Mark Chandler AmRest Holdings SE Board Member	Wojciech Mroczyński AmRest Holdings SE Board Member

Wrocław, August 23, 2013