

## Forthcoming acquisition of 42 KFC restaurants in France



Wroclaw, Poland, March 15<sup>th</sup>, 2017, AmRest Holdings SE („AmRest”, “the Company”) (WSE: EAT), the largest publicly listed restaurant operator in Central Europe, announces signing on March 15<sup>th</sup>, 2017 a Binding Head of Terms with KFC France SAS aimed at the acquisition of 42 company-owned KFC restaurants in France (“KFC Business”).

Prior to transfer of the assets the parties will sign a Development Agreement and Standard KFC International Franchise Agreement for each restaurant. The Development Agreement will provide for opening dozens of restaurants per year in the coming decade, creating thousands of jobs.

The purchase price for the KFC Business is subject to the results of a due diligence to be carried out by AmRest.

AmRest and KFC France intend to sign the final agreements in coming months. If the parties fail to sign the final agreements by August 1<sup>st</sup>, 2017 the HOT shall terminate immediately, unless otherwise agreed in writing by both parties.

The transaction sets a new milestone in the implementation of KFC’s growth strategy in France through the franchise model and, at the same time, is a perfect match for AmRest’s plans of accelerated development focused on brands and countries that are already present in the Company’s portfolio. Throughout the partnership, AmRest is to become the largest franchise partner of KFC in France.

The forthcoming refranchising of 42 company-owned restaurants in France to AmRest is part of Yum! Brands’ strategy to increase its franchise ownership globally. KFC is a strong brand in France with more than 200 company-owned and franchise restaurants. The company and its franchise partners expect to reach the scale of approximately 500 KFC restaurants over the next decade.

*“We are fully convinced that this new partnership would help strengthen KFC France’s competitive position and allow the brand to accelerate its development in France over the long-term. AmRest is a partner we fully trust and which knows our brand very well. They would add their expertise, operational excellence and passion for KFC to those of our teams in the company-owned restaurants and our sixty current franchise partners”, said Frédéric Levacher, Managing Director of KFC France.*

In the opinion of the Management Board of AmRest, great potential for growth of KFC brand in the French market, combined with the Company’s over 20 years’ experience in running KFC restaurants will allow AmRest to substantially increase the scale of that business within the coming years.



*"We are truly delighted with the agreement with KFC that would enable us to continue the development of AmRest in France. KFC has a very strong reputation and best practices on which we will lean in the coming years. We have full confidence in the potential of this new partnership and look forward to getting to know the teams within the different restaurants", said Olgierd Danielewicz, President of KFC at AmRest.*

Management Board of the Company is enthusiastic about the opportunity of further strengthening AmRest presence in such a potential market as France and confident that this step will result in value creation for the Company's shareholders.

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