

**AmRest Holdings SE**

**Interim Condensed Separate Financial Statements  
as at and for the six months ended  
June 30, 2011**

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**AmRest Holdings SE**  
**Board Member**

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**AmRest Holdings SE**  
**Board Member**

Wroclaw, August 31, 2011

**AmRest Holdings SE****Interim Condensed Separate Financial Statements as at and for six months ended June 30, 2011****Interim Separate Income Statement  
for the 6 months ended June 30, 2011.**

<i>In thousands of Polish Zloty</i>	<b>Noty</b>	<b>Six months ended June 30, 2011</b>	<b>Six months ended June 30, 2010</b>
General and administrative expenses (G&A)		(2 612)	(193)
Finance income	8	10 940	3 509
Finance cost	8	(6 298)	(6 719)
<b>Profit/(loss) before tax</b>		<b>2 030</b>	<b>(3 403)</b>
Income tax expense	10	(298)	(628)
<b>Profit/(loss) for the period</b>		<b>1 732</b>	<b>(4 031)</b>
<b>Basic profit/(loss) per share in Polish zloty</b>	13	0,09	(0,27)
<b>Diluted profit/(loss) per share in Polish zloty</b>	13	0,08	(0,21)

**Interim Separate Statement of Comprehensive Income  
for the 6 months ended June 30, 2011**

<i>In thousands of Polish Zloty</i>	<b>Six months ended June 30, 2011</b>	<b>Six months ended June 30, 2010</b>
<b>Profit/(Loss) for the period</b>	<b>1 732</b>	<b>(4 031)</b>
<b>Other comprehensive income</b>	-	-
<b>Other comprehensive income for the period, net of tax</b>	-	-
<b>Total comprehensive income for the period</b>	<b>1 732</b>	<b>(4 031)</b>

**AmRest Holdings SE**  
**Interim Condensed Separate Financial Statements as at and for six months ended June 30, 2011**

**Interim Separate Statement of Financial Position**  
**as at June 30, 2011**

<i>In thousands of Polish Zloty</i>	Note	<u>30.06.2011</u>	<u>31.12.2010</u>
<b>Assets</b>			
Investment in associates	2	751 426	393 260
Other non-current assets	3	139 424	375 661
Deferred Tax assets	10	-	380
<b>Total non-current assets</b>		<u><b>890 850</b></u>	<u><b>769 301</b></u>
Trade and other receivables	5	47 605	6 674
Other current assets		69	4
Cash and cash equivalents	7	44 059	33 609
<b>Total current assets</b>		<u><b>91 733</b></u>	<u><b>40 287</b></u>
<b>Total assets</b>		<u><b>982 583</b></u>	<u><b>809 588</b></u>
<b>Equity</b>			
Share capital	6	713	623
Reserves	6	776 346	605 689
Retained Earnings		55 287	53 555
<b>Total Equity attributable to shareholders of the parent</b>		<u><b>832 346</b></u>	<u><b>659 867</b></u>
<b>Liabilities</b>			
Deferred tax liabilities	10	627	-
Other non-current finance liabilities	4	149 418	149 161
<b>Total non-current liabilities</b>		<u><b>150 045</b></u>	<u><b>149 161</b></u>
Trade and other payables		192	560
<b>Total current liabilities</b>		<u><b>192</b></u>	<u><b>560</b></u>
<b>Total liabilities</b>		<u><b>150 237</b></u>	<u><b>149 721</b></u>
<b>Total equity and liabilities</b>		<u><b>982 583</b></u>	<u><b>809 588</b></u>

**AmRest Holdings SE**  
**Interim Condensed Separate Financial Statements as at and for six months ended June 30, 2011**

**Interim Separate Statement of Cash Flows for the 6 months ended June 30, 2011**

<i>In thousands of Polish Zloty</i>	<b>Six months ended June 30, 2011</b>	<b>Six months ended June 30, 2010</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	2 030	(3 403)
Adjustments for:		
Interest, net	(3 670)	1 282
Unrealized foreign exchange differences	(163)	245
Change in receivables	1 486	403
Change in other current assets	(65)	(4 319)
Change in payables and other liabilities	(368)	799
Income taxes paid	(698)	(628)
<b>Net cash provided by operating activities</b>	<b>(1 448)</b>	<b>(5 621)</b>
<b>Cash flows from investing activities</b>		
Proceeds from repayment of loan and interest given	245 842	4 895
Acquisition of subsidiaries, net of cash acquired	(357 044)	(21 072)
<b>Net cash used in investing activities</b>	<b>(111 202)</b>	<b>(16 177)</b>
<b>Cash flows from financing activities</b>		
Proceeds from shares issued	169 625	307 048
Proceeds from debt securities	-	39 749
Repayment of bonds and bonds interest	(5 565)	(32 500)
Proceeds form cash-pooling	87	7 616
Expense on cash-poolingu	(41 047)	-
<b>Net cash provided by/(used in) financing activities</b>	<b>123 100</b>	<b>321 913</b>
<b>Net change in cash and cash equivalents</b>	<b>10 450</b>	<b>300 115</b>
<b>Balance sheet in cash and cash equivalents</b>	<b>10 450</b>	<b>300 115</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>33 609</b>	<b>109 337</b>
<b>Cash and cash equivalents, end of period</b>	<b>44 059</b>	<b>409 452</b>

**AmRest Holdings SE**  
**Interim Condensed Separate Financial Statements as at and for six months ended June 30, 2011**

**Interim Separate Statement of Changes in Equity for the 6 months ended June 30, 2011**

	Issued capital	Reserved capital	Retained Earnings	Total Equity
<b>As at January 1, 2010</b>	<b>427</b>	<b>295 229</b>	<b>50 713</b>	<b>346 369</b>
<b>Comprehensive Income</b>				
Profit/(loss) for the period	-	-	(4 031)	(4 031)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(4 031)</b>	<b>(4 031)</b>
<b>Transactions with shareholders</b>				
Employees share option scheme – value of employee services	-	1 498	-	<b>1 498</b>
Issuance of shares	195	306 853	-	<b>307 048</b>
<b>Total of transactions with shareholders</b>	<b>195</b>	<b>308 351</b>	<b>-</b>	<b>308 546</b>
<b>As at June 30, 2010</b>	<b>622</b>	<b>603 580</b>	<b>46 682</b>	<b>650 884</b>
<b>As at January 1, 2011</b>	<b>623</b>	<b>605 689</b>	<b>53 555</b>	<b>659 867</b>
<b>Comprehensive Income</b>				
Profit/(loss) for the period	-	-	1 732	<b>1 732</b>
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>1 732</b>	<b>1 732</b>
<b>Transactions with shareholders</b>				
Employees share option scheme – value of employee services	-	1 122	-	<b>1 122</b>
Issuance of shares	90	169 535	-	<b>169 625</b>
<b>Total of transactions with shareholders</b>	<b>90</b>	<b>170 657</b>	<b>-</b>	<b>170 747</b>
<b>As at June 30, 2011</b>	<b>713</b>	<b>776 346</b>	<b>55 287</b>	<b>832 346</b>

## **AmRest Holdings SE**

### **Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)**

#### **1 Company overview and significant accounting policies**

##### **(a) Background**

AmRest Holdings SE ("the Company") 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, 6th Business Department 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.

The Company's core activity is management of the following entities ("the Group"):

- AmRest Sp. z o.o. (Poland), the entity being a parent in an international group comprising of entities located in Poland, as well as in Russia (OOO AmRest) and USA (AmRest, LLC),
- American Restaurants s.r.o. (The Czech Republic),
- Amrest BK s.r.o.,
- AmRest Acquisition Subsidiary Inc (USA),
- AmRest Tag S.L. (Spain), the entity being a parent in a group, comprising of entities located in Spain.

The principal activity of the entities within the Group is operating restaurants located in Poland, The Czech Republic, USA, Spain, Bulgaria, Russia, Serbia, and Hungary,:

- based on the franchise contracts - restaurants „KFC”, „Pizza Hut”, „Burger King”, „Applebees” and „Starbucks”,
- as the owner of trademark - restaurants “La Tagiatella”, „Il Pastificio” and „Trastevere”.

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

Before April 27, 2005, the Company's co-shareholders and entities exercising their rights from the shares held in the Company were International Restaurants Investments, LLC ("IRI") with its registered office in the United States of America, and Kentucky Fried Chicken Poland Holdings BV ("KFC BV") with its registered office in the Netherlands. The co-shareholders held 50% shares each and had the same proportion of voting rights before the Company was first quoted on the stock exchange. IRI was a company controlled by American Retail Concepts, Inc. with its registered office in the United States of America ("ARC"), and KFC BV was a company controlled by YUM! Brands, Inc. ("YUM!") with its registered office in the USA.

In connection with the flotation of the Company on GPW, YUM! sold all its shares in the Company and is no more a shareholder or a related entity. Also when the Company was floated on GPW, IRI sold part of the shares held. As at June 30, 2011, WP Holdings VII B.V. was the largest shareholder of AmRest and held 32.9999% of its shares and voting rights.

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

These Interim Condensed Separate Financial Statements as at and for the six months ended 30 June 2011 have been prepared in accordance with the IAS 34 Interim Financial Reporting. These Interim Condensed Separate 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 Separate Financial Statements as at 31 December 2010.

Accounting policies on which bases the Interim Condensed Separate Financial Statements prepared for the six months ended June 30, 2011 and Separate Financial Statements for the year ended December 31, 2010 are consistent, except standards, changes in standards and interpretations which are mandatory for reporting periods beginning after January 1, 2011.

## **AmRest Holdings SE**

### **Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)**

The Group didn't decide about implementation of new standards and interpretations earlier than they become mandatory:

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2011:

- IFRS 9 „Financial instruments Chapter 1: Classification and measurement”;
- IFRS 10 “Consolidated Financial Statements”;
- IFRS 11 “Joint Arrangements”;
- IFRS 12 “Disclosure of Interests in Other Entities”;
- IFRS 13 “Fair Value Measurement”;
- Amendments to IFRS 7 “Financial Instruments: Disclosures”;
- Realisation of the assets value – amends to IAS 12;
- Hyperinflation and withdrawal of fixed dates for first-time adopters of IFRS– Amendments to IFRS 1;
- Amendments to IAS 1 “Presentation of Financial Statements”;
- Amendments to IAS 19 “Employee Benefits”.

Standards and interpretations mandatory for the Group from January 1, 2011 are as follows:

- Amendments to IAS 32: Classification of Rights Issues;
- Amendments to IFRS 1: exemptions for first-time adopters of IFRS concerned disclosures comparative data (IFRS 7);
- IFRIC 19 „Extinguishing Financial Liabilities with Equity Instruments”;
- Changed IAS 24 “Related Party Disclosures”;
- Amendments to IFRIC 14 „The limit on a defined benefit asset, minimum funding requirements and their interaction”;
- Amendments IFRS 2010.

The Management Board believes that the changes and improvements will not have a material effect on the Company's financial statements.

#### **(c) Basis of preparation of financial statements**

Because of the fact that Company has moved its seat to Poland financial statements was prepared in polish zloty (PLN), after rounding to full thousands (TPLN). Polish zloty is functional currency of the AmRest Holdings SE since January 1, 2009.

The Company prepares consolidated financial statements of the Group for which it acts as a parent. The consolidated and separate financial statements have to be analysed jointly in order to vies a full picture of the Company's financial.

The standalone financial statements are prepared on the historical cost basis except of assets held for sale and assets stated in fair value through profit or loss, which are stated in fair values. Non-current assets held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The preparation of the IFRS financial statements requires the Management of the Company 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.



## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

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 have been applied consistently to all periods presented in these financial statements.

## 2 Investments in subsidiaries

The table below presents the number and value of the shares owned by the Company in its subsidiaries as at June 30, 2011 and as at December 31, 2010.

	30.06.2011		31.12.2010	
	Interest ownership	Value of Shares	Interest ownership	Value of Shares
AmRest Sp. z o.o. (Poland)*	100%	213 856	100%	212 734
AmRest s.r.o. (The Czech Republik)	100%	12 467	100%	12 467
AmRest BK s.r.o. (The Czech Republik)	100%	21 105	100%	21 105
AmRest Acquisition Subsidiary (USA)	100%	146 954	100%	146 954
AmRest Tag S.L. (Spain)**	76,27%	357 044	-	-
<b>Total</b>	-	<b>751 426</b>	-	<b>393 260</b>

\* The value of shares in AmRest Sp. z o.o. was increased by capitalized costs of the share option plan (share options granted to the employees of the subsidiaries). The costs capitalised in the value of investments in subsidiaries amounted to 1 122 TPLN as at June 30, 2011.

\*\* On March 15, 2011, AmRest Holdings SE acquired 100% of AmRest TAG S.L. shares, with its registered office in Madrid, Spain. The total transaction value was PLN 357 044 thousand (EUR 90 million).

On March 15, 2011, AmRest TAG S.L. acquired 100% of AmRestavia S.L shares.

The purpose of the acquisition of above mentioned companies was the purchase of 100% shares in Restauravia Grupo Empresarial S.L. ("RGE").

On April 28, 2011, the Group acquired 100% shares in Restauravia Grupo Empresarial S.L. from Corpfín Capital Fund III F.C.R., Corpfín Capital S.A. S.C.R., Corpfín Capital Fund III SBP F.C.R., Delta Spain S.A.R.L. SICAR, known as „Shaleholders Corpfín” and Ms. María Elena Pato-Castel Tadeo, Mr. David Gorgues Carnicé, Kenvest Restoration S.L. Ebitda Consulting S.L.. As a result of shares purchase in RGE, both companies acquired on March 15, 2011 became shareholders of RGE AmResTAG 83,48% and AmRestavia 16,52%). Additionally 23.73% of shares in AmRest TAG was covered by existing shareholders of the RGE.

According to terms of the agreement AmRest owns “Call Option” to purchase total or part of 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 1st and December 1st each year within this period. Non controlling shareholders have the right to “Put Option” to sell total or part of shares. Put option can be realized after 3 and to

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

6 years from the date of finalizing the agreement. The price of both options will be 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 Group's consolidated financial statement Put option liability was presented in the amount of PLN 155 463 thousand (EUR 38 996 thousand). As at the date of the Group Restauravia Grupo Empresarial L.S. purchase the liability was equal to PLN 154 707 thousand (EUR 38 996 thousand). According to Group AmRest policy the valuation cost of the Put option is presented in equity.

Key managers of the Spanish market participate in motivation program which bases on exceeding goals of the business growth.

As at June 30, 2011 the Company has not recognised impairment on the investments in subsidiaries.

### 3 Loans granted to subsidiaries

Borrower	- AmRest s.r.o.
Loan amount	- 25 431 tyś. zł
Interest rate	- WIBOR 3M + margin

The loan agreement was signed on April 28 and August 22, 2005. In accordance with the agreement the interest will be calculated on the monthly basis. The principal amount of the loan with all accrued interest will be repaid till December 31, 2012.

Borrower	- AmRest Sp. z o.o.
Loan amount	- 350 000 tyś. zł
Interest rate	- 3M WIBOR + margin

The loan agreement was sined on October 18, 2010. In accordance with the agreement the interest will be paid on the quarterly basis. The change of the compound interest rate will be executed on the first day of each quarter. The principal amount of the loan with all accrued interest will be repaid till September 30, 2012.

The table below presents the change of loan value during the twelve months period ended June 30, 2011:

<b>As at January 1, 2011</b>	<b>375 661</b>
Interest – capitalised in value of the loan (financial income)	9 462
Loan grantem	-
Repayment of interest	(245 842)
Exchange rate differences (financial income)	143
<b>As at June 30, 2011</b>	<b>139 424</b>

Loans are not secured. The fair value of the loans presented above does not differ significantly from its carrying value.

### 4 Liabilities

#### Liabilities to third parties

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

On December 30, 2009 and February 24, 2010 Company has issued bonds for value of 110 000 000,00 PLN and of value of 40 000 000,00 PLN specified as below:

Date of issue	- December 30, 2009
Number of bonds issued	- 11 000
Emission price of 1 bond	- 10 000 PLN
Total value of bonds issued:	- 110 000 000 PLN
Termination date	- December 30, 2014
Interest rate	- variable
Reference rate	- WIBOR 6M
Date of issue	- February 24, 2010
Number of bonds issued	- 4 000
Emission price of 1 bond	- 10 000 PLN
Total value of bonds issued:	- 40 000 000 PLN
Termination date	- December 30, 2014
Interest rate	- variable
Reference rate	- WIBOR 6M

Value of liabilities from bonds issued as at June 30, 2011 – PLN 149 418.

Bonds were issued for the financing of Group investment activities.

<b>As at January 1, 2011</b>	<b>149 161</b>
Interest – discounted	5 822
Interests – paid	(5 565)
<b>As at June 30, 2011</b>	<b>149 418</b>

## 5 Trade and other receivables

As at June 30, 2011 and December 31, 2010 Company has receivables of following characteristics:

<b>Receivables descriptions</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
Receivables from related parties – cash pooling	43 192	2 182
Receivables from related parties – AmRest Sp. z o. o.	2 185	3 568
Receivables from related parties – AmRest s.r.o.	625	697
Receivables from related parties – SCM Sp. z o.o.	-	74
Receivables from related parties – AmRest EOOD	-	3

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Tax receivables	1 572	135
Other receivables	31	15
<b>Total of receivables as for the end of given date</b>	<b>47 605</b>	<b>6 674</b>

## 6 Equity

### Share capital

As described in Note 1a, on April 27, 2005, the shares of AmRest Holdings SE commenced trading on the Warsaw Stock Exchange (“WSE”) in Warsaw, Poland.

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.

On April 11, 2011 there was the finalization of the Additional Share Subscription Agreement with a shareholder WP Holdings VII B.V.. Completion resulted from registering the increase in the share capital of the Company by the amount of EUR 22 715,90 by the registry court in Wrocław (with the issuance price of PLN 75 per share).

As at June 30, 2011, the Company held 21 205 689 issued, fully paid-up shares. The Company’s target capital is 3 580 667 shares. Nominal value of one share is 1 eurocent (0.01 euro).

Structure of other supplementary capital as at date of financial statement is as follows:

Shareholders	Shares amount	Share in Equity %	Share at AGM %
WP Holdings VII B.V.*	6 997 853	32,99%	32,99%
ING Otworthy Fundusz Emerytalny	3 633 013	17,13%	17,13%
BZ WBK AIB Asset Management S.A.**	2 672 016	12,60%	12,60%
Aviva Otworthy Fundusz Emerytalny	1 411 207	6,65%	6,65%
Henry McGovern***	1 408 036	6,64%	6,64%

\* WP Holdings VII B.V. owns directly 32,9999% shares in Equity and at AGM

\*\* BZ WBK AIB AM governs asset which are accounted mostly for funds owned by BZ WBK AIB TFI

\*\*\* shares owned directly by Henry McGovern and companies directly related to him i.e. IRI and MPI.

### Other supplementary capital

Structure of other supplementary capital is as follows:

	<b>30.06.2011</b>	<b>31.12.2010</b>
Surplus over nominal value (share premium)	787 515	617 980
Employees share option scheme	13 715	12 593
Non-refundable capital deposit without additional share issue, made by shareholders of the Group before entry on GPW	6 191	6 191
Functional currency translation	(31 219)	(31 219)
Own shares recognition	144	144
<b>Total supplementary capital</b>	<b>776 346</b>	<b>605 689</b>

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

#### 7 Cash and cash equivalents

Cash and cash equivalents as at June 30, 2011 and December 31, 2010 are presented in table below:

	<u>30.06.2011</u>	<u>31.12.2010</u>
Cash at bank	44 058	33 608
Cash in hand	1	1
	<u>44 059</u>	<u>33 609</u>

#### 8 Finance income and expenses

	<u>Six months ended June 30, 2011</u>	<u>Six months ended June 30, 2010</u>
Interest on bank deposits	1 243	2 685
Interest on loans granted	9 549	561
Net exchange rate gains	148	263
<b>Finance income, total</b>	<u>10 940</u>	<u>3 509</u>
Interest expense	5 767	6 719
Other	531	-
<b>Finance expenses, total</b>	<u>6 298</u>	<u>6 719</u>

#### 9 Related party transaction

As at June 30, 2011 the Group of which the Company is a parent consisted of the following subsidiaries (direct and indirect):

Company name	Address and country of the registered office	Main area of operation	Name of direct parent entity and other share owners	Share in capital and total voting rights	Date of taking up control
AmRest Sp. z o.o.	Wrocław, Poland	Operating restaurants in Poland	AmRest Holdings SE	100.00 %	December 2000
AmRest s.r.o.	Prague, Czech Republic	Operating restaurants in the Czech Republic	AmRest Holdings SE	100.00 %	December 2000
AmRest BK s.r.o.	Prague, Czech Republic	Operating Burger King restaurants in Czech Republic	AmRest Holdings SE	100.00%	December 2009
AmRest Tag S.L.	Madrid, Spain	Holding activities	AmRest Holdings SE	76.27 %	April 2011
AmRestavia S.L.	Madrid, Spain	Holding activities	AmRest Tag S.L.	100.00 %	April 2011

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Restauravia Grupo Empresarial S.L.	Madrid, Spain	Holding activities	AmRestavia S.L. AmRest Tag S.L.	16.52 % 83.48 %	April 2011
Restauravia Food S.L.U.	Madrid, Spain	Operating restaurants in Spain	Restauravia Grupo Empresarial S.L.	100.00 %	April 2011
Pastificio Service S.L.U.	Lleida, Spain	Operating restaurants in Spain	Restauravia Grupo Empresarial S.L.	100.00 %	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Operating restaurants in Spain	Pastificio Service S.L.U.	100.00 %	April 2011
Tagligat S.L.U.	Lleida, Spain	Operating restaurants in Spain	Pastificio Service S.L.U.	100.00 %	April 2011
Pastificio S.L.U.	Lleida, Spain	Operating restaurants in Spain	Pastificio Service S.L.U.	100.00 %	April 2011
AmRest Kft	Budapest, Hungary	Operating restaurants in Hungary	AmRest Sp. z o.o.	100.00 %	June 2006
American Ukraina t.o.w.	Kiev, the Ukraine	No current operations	AmRest Sp. z o.o.	100.00 %	December 2005
AmRest Coffee Sp. z .o.o.	Wrocław, Poland	Established to operate Starbucks stores in Poland	AmRest Sp. z o.o. Starbucks Coffee International, Inc	82.00% 18.00%	March 2007
Bécsi út.13. Kft	Budapest, Hungary	Owner of the building where the office area is located	AmRest Kft	100.00 %	April 2007
AmRest EOOD	Sofia, Bulgaria	Operating restaurants in Bulgaria	AmRest Sp. z o.o.	100.00 %	April 2007
AmRest Coffee s.r.o.	Prague, Czech Republic	Established to operate Starbucks stores in the Czech Republic	AmRest Sp. z o.o. Starbucks Coffee International, Inc	82.00% 18.00%	August 2007
AmRest Acquisition Subsidiary Inc.	Wilmington USA	Holding activities	AmRest Holdings SE	100.00 %	May 2007
OOO AmRest	Petersburg, Russia	Operating restaurants in Russia	AmRest Acquisition Subsidiary Inc. AmRest Sp. z o.o.	1.56 % 98.44%	July 2007
AmRest Kávézó Kft	Budapest, Hungary	Established to operate Starbucks stores in Hungary	AmRest Sp. z o.o. Starbucks Coffee International, Inc	82.00% 18.00%	August 2007
AmRest D.O.O.	Belgrade, Serbia	Operating restaurants in Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00 % 40.00%	October 2007
AmRest LLC	Wilmington USA	Established to operate Starbucks stores in USA	AmRest Sp. z o.o.	100.00 %	July 2008
SCM Sp. z o.o.	Chotomów, Poland	Delivery services for restaurants provided to the Group	AmRest Sp. z o.o. Zbigniew Cylny Beata Szafarczyk-Cylny	51.00% 44.00% 5.00%	April 2005
Rodeo Drive Sp. z o.o.	Wrocław, Poland	No current operations	AmRest Sp. z o.o.	100.00%	April 2011

On January 11, 2011 Group has finished liquidation process of Company OOO KFC Nord.

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

As at June 30, 2011, the Group possessed the following associated entities included in the financial statements under the equity method:

Company name	Address and country of the registered office	Main area of operation	Name of Parent Company	Share in capital and total voting rights	Date of purchase
SCM s.r.o.	Prague, Czech Republic	Delivery services for restaurants provided to the Group	SCM Sp. z o.o.	45.90%	March 2007

The Group's offices are in Wrocław, Poland. At December 31, 2010, the restaurants operated by the Group were located in Poland, the Czech Republic, Hungary, Spain, Russia, Bulgaria, Serbia and the USA.

#### *Related party transaction*

Trade and other receivables from related entities	30.06.2011	31.12.2010
AmRest Sp. z o.o.	45 377	5 750
AmRest s.r.o.	625	697
SCM Sp. z o.o.	-	74
AmRest EOOD	-	3
	<b>46 002</b>	<b>6 524</b>

Loans granted to related entities	30.06.2011	31.12.2010
AmRest s.r.o.	26 650	25 661
AmRest sp. z o.o.	112 774	350 000
	<b>139 424</b>	<b>375 661</b>

Trade and other payables to related entities	30.06.2011	31.12.2010
AmRest Sp. z o.o.	1	219
	<b>1</b>	<b>219</b>

Other operating income from related entities	Six months ended June 30, 2011	Six months ended June 30, 2010
AmRest Sp. z o.o.	58	59
AmRest LLC	17	18
AmRest s.r.o.	8	9
OOO AmRest	7	8
AmRest KFT	4	5
AmRest Coffee s.r.o.	2	2
AmRest Coffee Sp. z o.o.	1	1
AmRest EOOD	1	1
AmRest Kavezo KFT	1	-

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

AmRest DOO	1	-
Burger King s.r.o.	1	-
SCM Sp. z o.o.	1	1
	<b>102</b>	<b>104</b>

	Six months ended June 30, 2011	Six months ended June 30, 2010
<b>General and administrative expenses – related entities</b>		
AmRest Sp. z o.o.	66	6
AmRest s.r.o.	2	-
	<b>68</b>	<b>6</b>

	Six months ended June 30, 2011	Six months ended June 30, 2010
<b>Financial income form related entities</b>		
AmRest Sp. z o.o.	8 703	359
AmRest s,r.o.	848	202
	<b>9 551</b>	<b>561</b>

	Six months ended June 30, 2011	Six months ended June 30, 2010
<b>Financial cost – related entities</b>		
AmRest Sp. z o.o.	37	1 507
	<b>37</b>	<b>1 507</b>

#### 10 Income tax expense

	Six months ended June 30, 2011	Six months ended June 30, 2010
Corporate income tax - current period	(709)	-
Corporate income tax – previous period	-	628
Change in deferred tax assets/provision	1 007	-
<b>Income tax recognized in the income statement</b>	<b>298</b>	<b>628</b>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. After the offset, the following amounts are disclosed in the consolidated financial statements:

	30.06.2011	31.12.2010
Deferred tax asset to be recovered after more than 12 months	41	660
Deferred tax asset to be recovered within 12 months	725	694
<b>Deferred tax asset:</b>	<b>766</b>	<b>1 354</b>
	<b>30.06.2011</b>	<b>31.12.2010</b>
Deferred tax provision to be used after more than 12 months	-	-
Deferred tax provision to be used within 12 months	1 393	974



## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

<b>Deferred tax provision:</b>	<b>1 393</b>	<b>974</b>
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Temporary differences after the offset accounted for in the calculation of deferred tax relate to the following items:

	<b>30.06.2011</b>	<b>31.12.2010</b>
Investment in associates	(232)	-
Other non-current assets	(1 161)	(974)
Trade and other payables	41	34
Tax loss carry forwards	725	1 320
<b>Deferred tax asset/(provision)</b>	<b>(627)</b>	<b>380</b>

As at June 30, 2011, tax loss carried forward are as follows:

	<b>30.06.2011</b>
Tax loss for period 2009	698
Tax loss for period 2010	3 117
<b>Tax losses in respect of which deferred tax assets were recognized</b>	<b>3 815</b>

## 11 Commitments and contingencies

On April 18, 2011, an amendment to the facility agreement dated October 18, 2010, was signed between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. ("Borrowers") and RBS Bank (Polska) S.A., The Royal Bank of Scotland N.V., Bank PEKAO S.A. and Bank Zachodni WBK S.A. Under the above-mentioned amendment the amount of the Facilities was increased by 80 million EUR. As at June 30, 2011 the total credit liabilities amounts to: 50.000 TUSD, 80.000 TEUR and 166.570 TPLN (AmRest Sp. z o.o.) and 379 403 TCZK (AmRest s.r.o.).

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 N.V. Loan value, interests, repayment date and other crucial terms of the agreement remained unchanged.

Due to good financial situation of the subsidiaries there is no risk that the Company will be required to repay loans taken by these subsidiaries.

The loans incurred by the Company do not account for collateral set up on fixed assets and other assets owned by the Company. The Borrowers (AmRest Sp. z o.o. and American Restaurants s.r.o.) are jointly and severally responsible for paying the liabilities resulting from credit agreements. Additionally, Group companies – OOO AmRest, AmRest LLC, AmRest Tag S.L., AmRestavia S.L., Restauravia Grupo Empresarial S.L., Pastificio Service S.L.U. and Restauravia Food S.L.U. – 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, i.e. October 11, 2015.

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), 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). As at June 30, 2011, the above ratios were not exceeded.

**12 Financial instruments**

The Company is exposed to a variety of financial risks: market risk (including currency and interest rate risk) and - to a limited extent - credit risk. The risk management program implemented by the Company 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 carried out based on procedures approved by the Management Board.

*Credit risk*

Financial instruments that are exposed to the credit risk include cash and cash equivalents, receivables and loans. The Company invests cash and cash equivalents in highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to their level as at balance sheet date. As at June 30, 2011 maximum amount exposed to credit risk was 139 424 TPLN and consist of the intercompany receivables from loan granted to related party (note 3).

The Company did not recognize impairment of assets listed above as well as not did create any write-offs.

*Interest rate risk*

The loan granted to the subsidiary (Note 3) was based on a floating interest rate. As at June 30, 2011, the Company did not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The fair value of that instruments, does not differ significantly from its carrying value.

*Foreign currency risk*

The Company is exposed to the foreign currency risk mainly due to the receivables and payables valuation denominated in currencies other than functional currency of the Company. The exposure to foreign currency cash flow risk is not hedged as there is no impact on cash flows.

*Liquidity risk*

The Company does not provide any operating activities except of holding activity, which results in no need of constant access to the financing and control over timely liability payments.

For the purpose of financing of investment activities of the Group, the Company issued bonds (Note 4) for the amount of PLN 150 million. Details of this bonds is presented in note 4.

*Capital risk*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and financing of investments in subsidiaries.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and financing of investments in subsidiaries.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total engaged capital. Net debt is calculated as total borrowings (including borrowings and payables) less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

The gearing ratios at June 30, 2011 and December 31, 2010 were as follows:

	<u>30.06.2011</u>	<u>31.12.2010</u>
Bonds obligations and other liabilities	149 610	149 721
Less: cash and cash equivalent	44 059	33 609
Net debt	105 551	116 112
Total equity	832 346	659 867

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Capital involved	937 897	775 979
Gearing ratio	11%	15%

#### *Recent volatility in global and country financial markets*

Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

### 13 Earnings per share

The basic and diluted earnings per ordinary share for the 6-month period of 2011 and 2010 was calculated as follows:

	<b>Six months ended June 30, 2011</b>	<b>Six months ended June 30, 2010</b>
Profit/loss for the period	1 732	(4 031)
Weighted average number of ordinary shares in issue	19 975 767	14 708 595
Impact of share issuance	1 229 922	4 204 024
Impact of option of share issuance		
Impact of share options awarded in 2005	21 499	19 813
Impact of share options awarded in 2006	21 510	9 223
Impact of share options awarded in 2007	-	-
Impact of share options awarded in 2008	-	-
Impact of share options awarded in 2009	29 382	13 469
Impact of share options awarded in 2010	5 995	27 236
Weighted average number of ordinary shares in issue	21 284 075	18 981 730
Profit per ordinary share		
Basic earnings per ordinary share	0,09	(0,27)
Diluted earnings per ordinary share	0,08	(0,21)

### 14 Events after the balance sheet date

After June 30, 2011 there were no significant events which weren't presented in the consolidated financial statement.