

**AmRest Holdings SE**

**Interim Condensed Separate Financial Statements  
as at and for the six months ended  
June 30, 2016**



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**Contents:**

	<b>Page</b>
<b>Interim Separate Income Statement</b>	<b>3</b>
<b>Interim Separate Statement of Comprehensive Income</b>	<b>3</b>
<b>Interim Separate Statement of Financial Position</b>	<b>4</b>
<b>Interim Separate Statement of Cash Flows</b>	<b>5</b>
<b>Interim Separate Statement of Changes in Equity</b>	<b>6</b>
<b>Notes to the Interim Separate Financial Statements</b>	<b>7</b>

**AmRest Holdings SE****Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2016.****Interim Separate Income Statement  
for the 6 months ended June 30, 2016**

<i>In thousands of Polish Zloty</i>	<b>Noty</b>	<b>Six months ended June 30, 2016</b>	<b>Six months ended June 30, 2015</b>
General and administrative expenses (G&A)		(782)	(2 918)
Other operating costs	9	(1 700)	-
Other operating income	9	15 749	4 505
Finance income	9	5 121	13 471
Finance cost	9	(6 187)	(6 399)
<b>Profit before tax</b>		<b>12 201</b>	<b>8 659</b>
Income tax expense	10	(68)	614
<b>Profit for the period</b>		<b>12 133</b>	<b>9 273</b>
<b>Basic profit per share in Polish zloty</b>	14	0,57	0,44
<b>Diluted profit per share in Polish zloty</b>	14	0,57	0,44

*The Interim Separate Income Statement has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements. Quarterly information is available in Directors' Report for the first half of the 2016.*

**Interim Separate Statement of Comprehensive Income  
for the 6 months ended June 30, 2016**

<i>In thousands of Polish Zloty</i>	<b>Six months ended June 30, 2016</b>	<b>Six months ended June 30, 2015</b>
<b>Profit for the period</b>	<b>12 133</b>	<b>9 273</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>12 133</b>	<b>9 273</b>

*The Interim Separate Statement of Comprehensive Income has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements. Quarterly information is available in Directors' Report for the first half of the 2016.*

**AmRest Holdings SE****Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2016.****Interim Separate Statement of Financial Position  
as at June 30, 2016***In thousands of Polish Zloty*

	Note	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>Assets</b>			
Other intangible assets		439	551
Investment in associates	2	892 779	890 852
Other non-current financial assets	3	174 200	174 200
<b>Total non-current assets</b>		<b>1 067 418</b>	<b>1 065 603</b>
Trade and other receivables	5	16 682	16 718
Income tax receivables	5	116	744
Other current assets		231	144
Other financial assets	3	8 395	8 019
Cash and cash equivalents	8	26 486	14 012
<b>Total current assets</b>		<b>51 910</b>	<b>39 637</b>
<b>Total assets</b>		<b>1 119 328</b>	<b>1 105 240</b>
<b>Equity</b>			
Share capital		714	714
Reserves	7	757 375	744 103
Retained Earnings	7	68 044	55 911
<b>Total Equity attributable to shareholders of the parent</b>		<b>826 133</b>	<b>800 728</b>
<b>Liabilities</b>			
Deferred tax liabilities	10	506	327
Trade and other payables	6	10 060	21 629
Other non-current finance liabilities	4	279 320	279 157
<b>Total non-current liabilities</b>		<b>289 886</b>	<b>301 113</b>
Trade and other payables	6	3 309	3 399
<b>Total current liabilities</b>		<b>3 309</b>	<b>3 399</b>
<b>Total liabilities</b>		<b>293 195</b>	<b>304 512</b>
<b>Total equity and liabilities</b>		<b>1 119 328</b>	<b>1 105 240</b>

*The Interim Separate Statement of Financial Position has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.*

**AmRest Holdings SE****Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2016.****Interim Separate Statement of Cash Flows for the 6 months ended June 30, 2016***In thousands of Polish Zloty*

	<b>Six months ended June 30, 2016</b>	<b>Six months ended June 30, 2015</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	12 201	8 659
Adjustments for:		
Amortization of intangible assets	131	80
Interest and profit sharing, net	944	(7 031)
Unrealized foreign exchange differences	(165)	(368)
Change in receivables	(3 352)	(955)
Change in other current assets	(87)	(148)
Change in payables and other liabilities	(84)	669
The result of realized options	(15 749)	-
Income taxes paid	740	(365)
Interest paid	(5 819)	(6 178)
Interest received	4 664	3 287
Other	96	-
<b>Net cash provided by operating activities</b>	<b>(6 480)</b>	<b>(2 350)</b>
<b>Cash flows from investing activities</b>		
Proceeds from repayment of loan and interest given	-	37 800
Dividends received from subsidiaries	-	6 606
Acquisition of subsidiaries, net of cash acquired	(3 600)	(16 313)
Acquisition of intangible assets	(25)	(165)
<b>Net cash used in investing activities</b>	<b>(3 625)</b>	<b>27 928</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance (employees options)	33 595	8 159
Expense on acquisition of own shares (employees option)	(11 016)	(27 000)
<b>Net cash provided by/(used in) financing activities</b>	<b>22 579</b>	<b>(18 841)</b>
<b>Net change in cash and cash equivalents</b>	<b>12 474</b>	<b>6 737</b>
<b>Balance sheet in cash and cash equivalents</b>	<b>12 474</b>	<b>6 737</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>14 012</b>	<b>1 964</b>
<b>Cash and cash equivalents, end of period</b>	<b>26 486</b>	<b>8 701</b>

*The Interim Separate Cash Flow has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.*

**AmRest Holdings SE**
**Jednostkowe śródroczne skrócone sprawozdanie finansowe na dzień i za okres 6 miesięcy kończący się 30 czerwca 2016 r.**
**Interim Separate Statement of Changes in Equity for the 6 months ended June 30, 2016**

<i>in thousands of Polish Zloty</i>	Kapitał podstawowy	Akcje własne	Kapitały zapasowe	Zyski / (Straty) zatrzymane	Kapitały razem
<b>As at January 1, 2015</b>	<b>714</b>	<b>(4 014)</b>	<b>783 360</b>	<b>31 112</b>	<b>811 172</b>
<b>Comprehensive Income</b>					
Profit/(loss) for the period	-	-	-	9 273	9 273
<b>Total comprehensive Income</b>	-	-	-	9 273	9 273
<b>Transaction with non-controlling shareholders</b>	-	-	-	-	-
<b>Transaction with shareholders</b>					
Change in presentation of the distribution of retained earnings	-	-	(21 377)	21 377	-
Change in presentation on the own shares	-	-	(227)	227	-
Change in presentation of treasury share transaction 2012-2014	-	-	(2 548)	2 548	-
Employees share option scheme – value of employee services	-	-	(4 986)	-	(4 986)
Change in share option plan for employees	-	-	9 241	-	9 241
Net result on treasury share transaction	-	-	5 630	-	5 630
Treasury shares disposal	-	11 551	(11 551)	-	-
Purchase of treasury shares	-	(27 000)	-	-	(27 000)
<b>Total of transactions with shareholders</b>	-	(15 449)	(25 818)	24 152	(17 115)
<b>As at June 30, 2015</b>	<b>714</b>	<b>(19 463)</b>	<b>757 542</b>	<b>64 537</b>	<b>803 330</b>
<b>As at January 1, 2016</b>	<b>714</b>	<b>(21 212)</b>	<b>765 315</b>	<b>55 911</b>	<b>800 728</b>
<b>Comprehensive Income</b>					
Profit/(loss) for the period	-	-	-	12 133	12 133
<b>Total comprehensive Income</b>	-	-	-	12 133	12 133
<b>Transactions with shareholders</b>					
Employee stock option plan – value of employee benefits exercised in the period	-	-	9 576	-	9 576
Employee stock option plan – proceeds from employees for disposed shares	-	-	4 882	-	4 882
Employee stock option plan – value of unexercised employee benefits	-	-	9 830	-	9 830
Treasury shares disposal	-	27 799	(27 799)	-	-
Zakup akcji własnych	-	(11 016)	-	-	(11 016)
<b>Total of transactions with shareholders</b>	-	16 763	(3 511)	-	13 272
<b>As at June 30, 2016</b>	<b>714</b>	<b>(4 429)</b>	<b>761 804</b>	<b>68 044</b>	<b>826 133</b>

*The Interim Separate Statement of Changes in Equity has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.*

## **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.

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).

The Company’s core activity is direct 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, the Czech Republic, Hungary, Serbia, Romania, Croatia, The United States, Spain and Slovenia,
- AmRest s.r.o. (The Czech Republic),
- AmRest EOOD (Bulgaria),
- AmRest Acquisition Subsidiary Inc. (USA),
- AmRest HK Limited (China),
- Blue Horizon Hospitality Group PTE Ltd. (China), the entity being a parent in a group, comprising of entities located in China,
- AmRest FSVC LLC.

The principal activity of the subsidiaries 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, Romania, Croatia, Bulgaria, Slovenia and Spain, on the basis of franchises granted. In Spain, France, Germany, China and The United States the Group operates its own brands La Tagliatella, Trastevere and il Pastificio. 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 (“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.

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

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

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.

On August 18th, 2015 WP Holdings B.V. have sold to FCapital Dutch B.V. all owned shares in AmRest Group.

As at June 30, 2016, FCapital Dutch B.V. was the largest shareholder of AmRest and held 31.71% of its shares and voting rights.

These Interim Condensed Separate Financial Statements were authorized by the Management Board on August 12, 2016

**(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 2016 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 2015.

Accounting policies on which bases the Interim Condensed Separate Financial Statements prepared for the six months ended June 30, 2016 and Separate Financial Statements for the year ended December 31, 2015 are consistent, except standards, changes in standards and interpretations which are mandatory for reporting periods beginning after January 1, 2016.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2016:

- **Defined Benefit Plans: Employee Contributions - Amendments to IAS 19**

The amendment changes to IAS 19 Employee Contributions was issued in November 2013 and is effective for annual periods beginning 1 February 2015 or after that date. The amendment allows entities to recognise employee contributions as a reduction in the service cost in the period in which the related employee service is rendered, instead of attributing the contributions to the periods of service, if the amount of the employee contributions is independent of the number of years of service.

- **Amendments to IFRS 2010-2012**

International Accounting Standards Board has published in December 2013 "Improvements to IFRSs 2010-2012" which amend 7 standards. The amendments include changes in presentation, recognition and valuation and include terminology and editorial changes.

- **Amendments to IFRS 11 on the purchase of a share in a common activity**

This amendment to IFRS 11 requires the investor when he acquires a share in a common business activity which is as defined in IFRS 3 application to acquire its share of the accounting rules on businesses connections in accordance with IFRS 3 and the rules under other standards, unless they are in contrary to the guidelines contained in IFRS 11.

- **Amendments to IAS 16 and IAS 38 concerning Depreciation**



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

The amendment clarifies that the use of the depreciation method based on revenues is not appropriate because the revenues generated in the business, which uses data assets also reflect factors other than the consumption of economic benefits from the asset.

- **Amendments to IFRS 2012-2014**

International Accounting Standards Board published in September 2014 "Improvements to IFRSs 2012-2014", that change four standards: IFRS 5, IFRS 7, IAS 19 and IAS 34.

- **Amendments to IAS 1**

In December 2014 in result of the works on so-called initiative on disclosure, the International Accounting Standards Board an amendment to IAS 1 issued. The Standard was amended to clarify the concept of materiality and explains that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, even if the IFRS contains a list of specific requirements or describes them as minimum requirements. The revised IAS 1 explained that the items presented in the statement of financial position and statement of results and other comprehensive income may be aggregated or disaggregated according to their relevance. It also introduced additional guidance relating to the presentation of subtotals in these statements.

- **Amendments to IAS 27 concerning the equity method in the separate financial statements**

The amendments in IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate 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 financial statements.

Before the issuance date of this financial statements were published by IASB numerous standards and interpretations, which have not 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) 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 interim separate condensed 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.

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

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

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. In reporting period the Company did not make any changes to accounting policy.

**(d) Going concern assumption**

Information presented below should be read together with information provided in Note 12 and 16, describing accordingly: loan and bonds liabilities and commitments and contingencies, and significant post balance sheet events after June 30, 2016.

Interim Condensed Separate Financial Statements for the period of 6 months ended June 30, 2016 were prepared in accordance with going concern assumption by the Entity in foreseeable future, what assumes realization of assets and liabilities throughout the normal terms of business operations. Interim Condensed Separate Financial Statements does not account for adjustments, which would be essential in such events. As at the date of Interim Condensed Separate Financial Statements issuance in assessment made by Management Board Entity there are no circumstances indicating threats for business going concern of the Entity and any related party in AmRest Group as well.

**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, 2016 and as at December 31, 2015.

	<b>June 30, 2016</b>		<b>December 31, 2015</b>	
	Interest ownership	Value of Shares	Interest ownership	Value of Shares
AmRest Sp. z o.o. (Poland) <sup>(a)</sup>	100,00%	590 090	100,00%	591 764
AmRest s.r.o. (Czech Republic)	100,00%	33 573	100,00%	33 573
AmRest Acquisition Subsidiary (USA)	100,00%	146 960	100,00%	146 954
AmRest EOOD (Bulgaria)	100,00%	14 388	100,00%	14 388
AmRest HK Ltd (China)	100,00%	-	100,00%	-
Blue Horizon Hospitality Group PTE Ltd. (China)	62,33%	102 811	62,33%	102 811
AmRest FSVC LLC (USA) <sup>(b)</sup>	100,00%	4 957	100%	1 362
<b>Total</b>		<b>892 779</b>		<b>890 852</b>

**(a)** The value of investment in AmRest Sp. z o.o. was adjusted by capitalized costs of the share option plan (share options granted to the employees of the subsidiaries).

**(b)** On January 25, 2016 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 60. On February 8, 2016 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 200. On April 18, 2016 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 500. On June 15, 2016 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 165.

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

**3 Other financial assets**

As at June 30, 2016 and December 31, 2015, the balances of other financial assets were as follows:

<b>Other long-term financial assets</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Loans given	174 200	174 200
<b>Total of other long-term financial assets</b>	<b>174 200</b>	<b>174 200</b>

<b>Other short-term financial assets</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Loans given	8 395	8 019
<b>Total of other short-term financial assets</b>	<b>8 395</b>	<b>8 019</b>

The Entity provided subsidiaries with the loans specified as below:

Borrower	- AmRest Sp. z o.o.
Loan amount	- 350 000 thousands PLN
The balance of loans as at June 30, 2016 - 174 200 thousands PLN	
Interest rate	- 3M WIBOR + margin

The loan agreement was signed 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 December 31, 2018. In the period from January to June 2016 the principal amount of the loan was not repaid.

Borrower	- AmRest HK Ltd.
Loan amount	- 1 000 thousands USD
Interest rate	- 3M LIBOR + margin

The loan agreement was signed on November 19, 2012. By June 30, 2016 the principal amount of the loan with all accrued interest was not repaid. The company recognized an impairment in the value of the loan including accrued interest.

Borrower	- AmRest HK Ltd.
Loan amount	- 210 thousands USD
Interest rate	- 3M LIBOR + margin

## AmRest Holdings SE

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

The loan agreement was signed on September 5, 2013. By June 30, 2016 the principal amount of the loan with all accrued interest was not repaid. The company recognized an impairment in the value of the loan including accrued interest.

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 1 085 thousands USD
Interest rate	- fixed

The loan agreement was signed on June 24, 2014. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan was to be paid back till Jun 24, 2015.

By June 30, 2016 the principal amount of the loan with all accrued interest was not repaid.

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 844 thousands USD
Interest rate	- fixed

The loan agreement was signed on March 25, 2015. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan was to be paid back till March 25, 2016.

By June 30, 2016 the principal amount of the loan with all accrued interest was not repaid.

The table below presents the change of loan value during the six months period ended June 30, 2016:

<b>As at January 1, 2016</b>	<b>182 219</b>
Including:	
<b>Short – term loans</b>	<b>8 019</b>
<b>Long – term loans</b>	<b>174 200</b>
Change of loan value during the six months period ended June 30, 2016:	
Interest accrued	4 832
Loan and interest repayment (actual receipts)	(4 512)
Impairment of interest on the loan	(109)
Exchange rate differences	165
<b>As at June 30, 2016</b>	<b>182 595</b>
Including:	
<b>Short – term loans</b>	<b>8 395</b>
<b>Long – term loans</b>	<b>174 200</b>

Loans are not secured. The fair value of the loans presented above does not differ significantly from its carrying value. The balances of loans are presented in Note 11.

## AmRest Holdings SE

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

#### 4 Finance Liabilities

##### *Borrowings from related parties*

Both at December 31, 2015 and June 30, 2016 Entity did not have borrowings from related parties.

##### *Liabilities to third parties*

On 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 AmRest Holdings SE signed with RBS Bank (Polska) SA and Bank Pekao SA an agreement for bonds issuance ("5years bonds"), on the basis of which was released option program for corporate bonds of AmRest.

On June 18, 2013 bonds in the amount of PLN 140 million were issued under the new agreement. The issue is part of a plan to diversify financing sources of AmRest. Bonds are issued with variable interest rate 6M WIBOR increased by a margin and are due on June 30, 2018. Interest is paid on semi-annual basis (June 30 and December 30), beginning December 30 2013. Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated June 18, 2013. There are no additional securities on the bond issue.

On September 10th 2014 AmRest made an early redemption of bonds for the total value of PLN 131,5m. At the same time, AmRest issued 14 000 bonds in the total nominal value of PLN 140m with maturity date September 10th 2019. The bonds have a variable interest rate of 6M WIBOR increased by margin. The interest is paid semi-annually (on June 30th and December 30th). Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated September 10, 2014. There are no additional securities on the bond issue.

On December 30th AmRest made a redemption of bonds that reached maturity date on Dec 30th 2014 with the face value of PLN 18,5m. At the end of 2015 AmRest has two bond issues outstanding: PLN 140m with maturity date June 30th 2018 and PLN 140m maturing on Sept 10th 2019.

As at June 30, 2016 the payables concerning bonds issued are PLN 279.320 thousand.

Bonds were issued for the financing of Group investment activities.

The table below presents the change of bonds liabilities value during the six months period ended June 30, 2016:

<b>As at January 1, 2016</b>	<b>279 157</b>
Issuing bonds costs	163
Interest paid	5 819
Interest – discounted	(5 819)
<b>As at June 30, 2016</b>	<b>279 320</b>
Including:	
<b>Short – term</b>	<b>-</b>
<b>Long – term</b>	<b>279 320</b>

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

**5 Trade and other receivables**

As at June 30, 2016 and December 31, 2015 Company has receivables of following characteristics:

<b>Receivables descriptions</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Receivables from related party – AmRest Sp. z o.o. cash pooling	7 694	2 743
Receivables from related party – AmRest s.r.o.	820	563
Receivables from related party – AmRest Coffee Sp. z o.o.	126	-
Receivables from related party – AmRest Sp. z o.o.	4 598	13 377
Receivables from related party – OOO AmRest	-	12
Receivables from related party – SCM Sp. z o.o.	98	-
Receivables from related party – Restauravia Food S.L.U.	2	-
Receivables from related party – AmRest GmbH	-	11
Receivables from related party employees	3 344	6
Tax receivables	116	744
Other receivables	-	6
<b>Total of receivables as at given date</b>	<b>16 798</b>	<b>17 462</b>

**6 Trade and other payables**

As at June 30, 2016 and December 31, 2015 Company has trade and other payables of following characteristics:

<b>Payables descriptions</b>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Liabilities to related party – AmRest Sp. z o.o.	-	10
Liabilities to related party – AmRest LLC	88	87
Liabilities to related party – AmRest HK Ltd.	199	-
Liabilities to third parties	655	989
Other Liabilities	2 367	2 313
<b>Total of payables as at given date</b>	<b>3 309</b>	<b>3 399</b>

*Employee share option plan 2*

In April 2005, the Group implemented Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Management Board, however, it may not exceed 3% of all the outstanding shares. Moreover, the number of shares purchased by employees through exercising options is limited to 200 000 per annum. In accordance with the provisions of the Plan, the Group, following approval by the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for

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

their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of awarding the option, and the vesting period will be 3 to 5 years. The Employee Option Plan was approved by the Company's Management Board and the General Shareholders' Meeting.

In January 2010, Supervisory Board of Group parent entity approved resolution confirming and systemizing total amount of shares for which may be issued options that will not exceed allowed 3% of shares in market.

In June 2011, Supervisory Board of Group parent entity approved and changed the previous note related to the number of shares purchased by employees through exercising options is limited to 100 000 per annum.

In November 2014, Supervisory Board of Group parent entity approved and changed wording of regulations by adding net cash settlement of option value.

For the grants after 8 December 2015. was implemented change in regulations which eliminated a possibility of option settlement with cash method. Furthermore, group of employees made a unilateral statement about resignation from cash settlement of option granted also in previous periods.

Due to above changes, according to Group accounting policy, as at June 30, 2016 was recognized liability in the value of PLN 10.060 thousands. For options settled by capital method as at June 30, 2016 was recognized provision of PLN 12.628 thousands was recognized in reserved capital.

As at December 31, 2015 were recognised accordingly: liability in the value of PLN 21.629 thousands and provision within reserved capital - PLN 128 thousands.

*Employee share option plan 3*

In December, 2011, the Group implemented further Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Supervisory Board, however, it may not exceed 1 041 000 shares. In accordance with the provisions of the Plan, the Supervisory Board of Group, on request of the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of preceding the day of awarding the option, and the vesting period will be 3 years. The option exercise price will increase by 11% each year. The Employee Option Plan was approved by the Company's Supervisory Board.

As at June 30, 2016 provision of PLN 9.827 thousands was recognized in reserved capital according to the Group accounting policy. As at December 31, 2015 this provision amounted to PLN 12.496 thousands.

The value of liabilities due to salaries and employee benefits as at June 30, 2016 and as at December 31, 2015. Are presented in the table below:

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Liability for Employee share option plan 2	10 060	21 629
	<b>10 060</b>	<b>21 629</b>

**7 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.

## AmRest Holdings SE

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

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.

As at June 30, 2016, 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 euro).

Pursuant to the information available to the Company, as at the date of release of these Interim Condensed Separate Financial Statements, that is August 12, 2016 (without including possible effect of information from note 2), 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%
FCapital Dutch B.V.*	6 726 790	31.71%	6 726 790	31.71%
Nationale-Nederlanden OFE**	2 539 429	11.97%	2 539 429	11.97%
PTE PZU ***	2 120 901	9.998%	2 120 901	9.998%
Aviva OFE	2 100 000	9.90%	2 100 000	9.90%

\* FCapital Dutch B. V. is the subsidiary of Finaccess Capital, S.A. de C.V.

\*\* The previous name: ING OFE

\*\*\* PTE PZU SA manages assets which include funds belonging to OFE PZU "Złota Jesień" and DFE PZU

#### *Other supplementary capital*

Structure of the reserved capital is as follows:

	June 30, 2016	December 31, 2015
Share premium	786 911	786 911
The provision for stock option program 2	12 628	128
The provision for stock option program 3	9 827	12 496
The value of exercised options	(19 157)	(5 815)
Non-refundable capital deposit without additional share issue, made by shareholders of the Entity before entry on GPW	6 191	6 191
Functional currency translation	(31 219)	(31 219)
Net profit for treasury shares for the period 2012-2014	(3 424)	(3 424)
Purchase of treasury shares	(4 429)	(21 212)
Other	47	47
<b>Total supplementary capital</b>	<b>757 375</b>	<b>744 103</b>

#### *Retained earnings*

Retained Earnings of Entity according to 16th resolution of Annual Shareholders Meeting dated June 10, 2011 includes also reserve fund in value of PLN 50,000 thousands for purchase of treasury shares only for share option redemption to every existing and future employee and managerial motivational stock option plans, including Management Board members of Group entities. In 2016 year (as it was disclosed in statement of changes in equity) were realized transaction on treasury shares for existing stock option plans amounting PLN 16.763 thousand (respectively PLN 15.449 in 2015).

According to the 6th resolution of Annual Shareholders Meeting dated June 7, 2016. The company decided that the profit for the financial year 2015 in the amount of 647 TPLN will be allocated to supplementary capital.

The company decided to presenting in the separate financial statements the results of previous year in retained earnings, which, in accordance with the resolutions of the General Meeting of Shareholders shall be applied to other categories of capital.



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

**8 Cash and cash equivalents**

Cash and cash equivalents as at June 30, 2016 and December 31, 2015 are presented in table below:

	June 30, 2016	December 31, 2015
Cash at bank	26 486	14 011
Cash in hand	-	1
	<b>24 486</b>	<b>14 012</b>

Reconciliation of working capital changes as at June 30, 2016 and June 30, 2015 is presented in the table below:

Six months ended June 30, 2016	The balance sheet change	Elimination of settlements of the share option plan for employees	Other liabilities and paid Invoices for intangible assets	Working capital changes
Change in receivables	36	(3 388)	-	(3 352)
Change in other assets	(87)	-	-	(87)
Change in payables and other liabilities	(11 496)	11 569	(157)	(84)

Six months ended June 30, 2015	The balance sheet change	Exercise of options changes	Working capital change
Trade and other receivables	(913)	(42)	(955)
Trade and other payables	3 070	(2 401)	669

The other differences in working capital change (receivables and liabilities) result from corporate income tax only.

**9 Finance income/expenses and other operating income/expenses**

**Finance income and expenses**

	Six months ended June 30, 2016	Six months ended June 30, 2015
Interest income	4 989	6 027
Other financial income	13	-
Dividends received	-	6 606
Net exchange rate gains	119	838
<b>Finance income, total</b>	<b>5 121</b>	<b>13 471</b>

## AmRest Holdings SE

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

Interest expense	(5 819)	(6 236)
Other	(368)	(163)
<b>Finance expenses, total</b>	<b>(6 187)</b>	<b>(6 399)</b>

### Other operating income and expenses

	<b>Six months ended June 30, 2016</b>	<b>Six months ended June 30, 2015</b>
The result on the disposal of treasury shares transactions (incentive program SOP / MIP) *	15 749	3 226
Revenues from re-invoicing	-	1 279
<b>Other operating income, total</b>	<b>15 749</b>	<b>4 505</b>
Impairment on loans granted	(109)	-
Impairment of investments	-	(20)
Impairment on receivables	(1 591)	-
<b>Other operating expenses, total</b>	<b>(1 700)</b>	<b>(20)</b>

\* The result of transactions on disposal of treasury shares (incentive program SOP / MIP) consists of the following items: revenues from re-invoicing of services based on own shares to affiliated companies in the amount of 25.325 TPLN, the cost of the option program exercises in the amount of 9.576 TPLN.

## 10 Income Tax

	<b>Six months ended June 30, 2016</b>	<b>Six months ended June 30, 2015</b>
Corporate income tax - current period	(111)	(1 379)
Corporate income tax - prior period	-	132
Change in deferred tax assets/liabilities	179	633
<b>Income tax recognized in the income statement</b>	<b>68</b>	<b>(614)</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 separate financial statements:

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Deferred tax asset to be recovered within 12 months	16	224
<b>Deferred tax asset:</b>	<b>16</b>	<b>224</b>

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Deferred tax liabilities to be used within 12 months	522	551

## AmRest Holdings SE

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

<b>Deferred tax liabilities:</b>	<b>522</b>	<b>551</b>
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Temporary differences after the offset accounted for in the calculation of deferred tax relate to the following items:

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Intangible assets	(33)	25
Other financial assets	(376)	-
Other financial liabilities	(113)	527
Trade and other payables	16	(13)
Tax loss carried forwards	-	(212)
<b>Deferred tax asset</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities</b>	<b>(506)</b>	<b>327</b>

## 11 Related party transaction

As at June 30, 2016, the Group comprised the following subsidiaries:

<b>Company name</b>	<b>Seat</b>	<b>Parent/non-controlling undertaking</b>	<b>Owner- ship interest and total vote</b>	<b>Date of effective control</b>
<b>Holding activity</b>				
AmRest Acquisition Subsidiary Inc.	Wilmington, USA	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U	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 HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
Blue Horizon Hospitality Group PTE Ltd	Singapore, China	AmRest Holdings SE	62.33%	December 2012
		WT Equities	14.10%	
		BHHG	14.10%	
		MJJP	4.24%	
		Coralie Danks	5.23%	
Bigsky Hospitality Group Ltd	Hong Kong, Chiny	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, BVI	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
<b>Restaurant activity</b>				
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

## AmRest Holdings SE

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

			Owner-ship interest and total vote	Date of effective control
Company name	Seat	Parent/non-controlling undertaking		
OOO AmRest	Petersburg, Russia	AmRest Acquisition Subsidiary Inc.	0.88%	July 2007
AmRest Coffee s.r.o.	Prague, Czech	AmRest Sp. z o.o.	99.12%	August 2007
		AmRest Sp. z o.o.	82.00%	
		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 Sp. z o.o.	100.00%	July 2008
Da Via, LLC*	Kennesaw, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Crown Farm, LLC**	Gaithersburg, 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 Restaurant Management Co. Ltd	Shanghai, China	AmRest HK Ltd	100.00%	November 2012
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	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
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%	
AmRest Skyline GMBH	Cologne, Germany	AmRestavia S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd.	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
AmRest Cofee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Cofee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	99.00%	December 2015
		AmRest Sp. z o.o.	1.00%	
AmRest Coffee Deutschland Sp. z o.o. & Co. KG	Munich, Germany	AmRest Kaffee Sp. z o.o.	85.00%	May 2016
		AmRest Capital Zrt	15.00%	
Financial services for the Group				

## AmRest Holdings SE

### Notes to the Interim Condensed Separate 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 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
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
La Tagliatella SAS	Lyon, France	AmRestavia S.L.U.	100.00%	March 2014
AmRest FSVC LLC	Delaware, USA	AmRest Holdings SE	100.00%	November 2014
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o	100.00%	March 2012
AmRest Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2016
Supply services for restaurants operated by the Group				
SCM Sp. z o.o.	Chotomow, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&d Sp. z o.o.	43.80%	
		Beata Cylny	5.00%	
		Zbigniew Cylny	0.20%	
Lack of business activity				
AmRest Ukraina t.o.w.****	Kiev, Ukraine	AmRest Sp. z o.o.	100.00%	December 2005

\* As at May 23, 2016 it was agreed to liquidate Da Via LLC.

\*\* As at July, 11 2016 La Tagliatella - Crown Farm, LLC was terminated.

\*\*\* As at February 22, 2016 it was agreed to merge Tagligat S.L.U. with Pastificio Service S.L.U.

\*\*\*\* As at August 9, 2016 Amrest Ukraina t.o.w. was sold

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



## AmRest Holdings SE

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

#### Loans granted to related entities

	June 30, 2016	December 31, 2015
AmRest Sp. z o.o.	174 200	174 200
Blue Horizon Hospitality Group PTE LTD	8 395	8 019
	<b>182 595</b>	<b>182 219</b>

#### Trade and other receivables from related entities

	June 30, 2016	December 31, 2015
OOO AmRest	-	12
AmRest s.r.o.	820	563
AmRest Sp. z o.o.	12 292	16 120
AmRest GmbH	-	11
AmRest Coffee Sp. z o.o.	126	-
SCM Sp. z o.o.	98	-
Restauravia Food S.L.U.	2	-
Related parties employees	3 344	6
	<b>16 682</b>	<b>16 712</b>

#### Trade and other payables to related entities

	June 30, 2016	December 31, 2015
AmRest Sp. z o.o.	-	10
AmRest LLC	88	87
AmRest HK Ltd.	199	-
	<b>287</b>	<b>97</b>

#### Other operating income - Expenses charged to related entities

	Six months ended June 30, 2016	Six months ended June 30, 2015
Frog King & Beverage	-	10
AmRest Sp. z o.o.	22 730	2 828
AmRest Coffee Sp. z o.o.	389	-
AmRest s.r.o.	257	165
AmRest LLC	1 847	210
La Tagliatella LLC	-	1 279
AmRest GmbH	-	13
SCM Sp. z o.o.	98	-
Restauravia Food S.L.U.	2	-
	<b>25 323</b>	<b>4 505</b>

#### General and administrative expenses – related entities

	Six months ended June 30, 2016	Six months ended June 30, 2015
AmRest Sp. z o.o.	3	8
La Tagliatella LLC	-	1 311
AmRest LLC	-	47
AmRest HK Ltd.	-	20
	<b>3</b>	<b>1 386</b>

## AmRest Holdings SE

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

Financial income from related entities	Six months ended June 30, 2016	Six months ended June 30, 2015
AmRest Sp. z o.o. – interest	4 517	5 196
AmRest s.r.o. – interest	-	493
AmRest s.r.o. – dividend	-	6 606
AmRest HK Ltd. – interest	109	94
Blue Horizon Hospitality Group Pte - interest	211	236
	<b>4 837</b>	<b>12 625</b>

#### *Transactions with the management/ Management Board, Supervisory Board*

	Six months ended June 30, 2016	Six months ended June 30, 2015
Remuneration of the Management and Supervisory Boards paid by the Company's subsidiaries	5 771	3 393
<b>Total remuneration of the Management Board and Supervisory Board</b>	<b>5 771</b>	<b>3 393</b>

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 2 048 thousand and PLN 1 664 thousand respectively in the 6 month period ended June 30, 2016 and June 30, 2015.

	June 30, 2016	June 30, 2015
Number of options awarded	513 780	819 148
Number of available options	229 346	289 148
Fair value of options as at the moment of awarding	PLN 16 495 087	24 361 551

As at June 30, 2016 and as at June 30, 2015 there were no liabilities to former employees.

## 12 Loans and bonds liabilities and commitments and contingencies

On September 10<sup>th</sup>, 2013 a Credit Agreement („the Agreement”) between AmRest, AmRest Sp. z o.o and AmRest s.r.o. – jointly „the Borrowers” and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. and ING Bank Śląski Polska S.A. – jointly „the Lenders” was signed. AmRest Poland and AmRest Czech are 100% subsidiaries of AmRest.

Based on the Agreement the Lenders granted to the Borrowers a credit facility in the approximated amount of EUR 250 million. The facility shall be fully repaid by September 10<sup>th</sup>, 2018 and is dedicated for repayment of the obligations under the credit agreement signed October 11<sup>th</sup>, 2010 along with further annexes, financing development activities of AmRest and working capital management. The facility consists of four tranches: Tranche A, EUR 150 million, Tranche B, PLN 140 million, Tranche C, CZK 400 million and Tranche D granted as a revolving credit facility, PLN 200 million. All Borrowers bear joint liability for any obligations resulting from the Agreement. Additionally, the following members of the group are guarantors of the facility: OOO AmRest, AmRest TAG S.L., AmRestavia S.L., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U, AmRest Finance Zrt and AmRest Capital Zrt.



## AmRest Holdings SE

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

The loan is provided at a variable interest rate. AmRest is required to maintain liquidity ratios (net debt/EBITDA, equity/total assets, EBITDA/interest) at agreed levels. In particular net debt/EBITDA ratio is to be held at below 3.5 level and AmRest is required not to distribute dividend payments if the mentioned ratio exceeds 3.0.

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.

The status of the guarantees offered by the Entity as at June 30, 2016 are as follows:

	Guarantee site	Guarantee mechanism	Maximum amount
Warranty of the lease restaurant in Germany	AmRest Holdings SE warrants AmRest GmbH to Berliner Immobilien Gesellschaft GbR	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism

## 13 Financial instruments

### 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 Company uses different methods and assumes assumptions based on market conditions as at each balance sheet date. Fair value of financial assets and investment property available for sale, which aren't in turnover on active market, is calculated with using sector indexes and last available information concerning the investment. Fair value of currency exchange rate option and forwards is calculated based on valuation made by banks which issued the instrument.

The following fair value valuations concerning financial instruments were used by the Company:

- 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).

The table below presents financial instruments in the Company, which are not measured at fair value, in their book value and fair value, in division on classes and categories of assets and liabilities:

<i>In thousands of Polish Zloty</i>				30.06.2016		31.12.2015	
Financial instrument	IAS 39 category	Fair value hierarchy	Notes	Fair value	Book value	Fair value	Book value
Other non-current financial assets	A	3	3	174 200	174 200	174 200	174 200
Other current financial assets	A	*	3	8 395	8 395	8 019	8 019
Trade and other receivables	A	*	5	16 682	16 682	16 718	16 718
Other current assets	A	*		231	231	144	144
Cash and cash equivalents	A	*	8	26 486	26 486	14 012	14 012
Non-current bonds liabilities	B	3	4	279 320	279 320	279 157	279 157
Trade and other payables	B	*	6	3 309	3 309	3 399	3 399

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

A - loans and receivables measured at amortised cost

B - financial liabilities measured at amortised cost

*\* It is assumed, that fair value almost equals the book value, therefore no fair value measurement techniques have been used to valuation of these items.*

Book values of short-term: receivables, other assets, payables, loans and liabilities are similar to their fair values due to short term capacity. According to the estimations of the Company, fair value of non-current assets and liabilities immaterially differ from their respective book value.

As at June 30 2016 the Company did not possess financial instruments measured at fair value. As at June 30, 2016 the Group did not recognize the transfers between levels of fair value valuations.

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, 2016 maximum amount exposed to credit risk was PLN 269 156 thousand 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, 2016, 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 280 million (nominal value). Details of this bonds is presented in Note 4.

*Capital risk*

The Entity 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.

The Entity monitors capital using the gearing ratio. The ratio is calculated as net debt to the value of capital involved. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents.

## AmRest Holdings SE

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

The gearing ratios at June 30, 2016 and December 31, 2015 were as follows

	June 30, 2016	December 31, 2015
Bonds obligations and other liabilities	293 195	304 512
Less: cash and cash equivalent	(26 486)	(14 012)
Net debt	266 709	290 500
Total equity	826 133	800 728
Capital involved	1 092 842	1 091 228
	<b>27%</b>	<b>28%</b>

#### *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.

## 14 Earnings per share

The basic and diluted earnings per ordinary share for the six months period of 2016 and 2015 was calculated as follows:

	Six months ended June 30, 2016	Six months ended June 30, 2015
Profit/(loss) for the period	12 133	9 273
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Profit/(loss) per ordinary share		
Basic earnings per ordinary share	0.57	0.44
Diluted earnings per ordinary share	0.57	0.44

## 15 Collateral on borrowings

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 Holding SE, AmRest Sp. z o.o. and AmRest s.r.o.) are jointly and severally responsible for paying the liabilities resulting from credit agreements. Additionally, Group companies – OOO AmRest, AmRest TAG S.L.U., AmRestavia S.L.U., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., 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, i.e. September 10<sup>th</sup>, 2018.

## 16 Events after the balance sheet date

On July 12th, 2016 it was announced the tender offer of FCapital Dutch B.V. to subscribe for 7.274.379 shares issued by AmRest Holdings SE. Pursuant to the terms of the Tender Offer, a company CULLINAN, S.A R.L. with its seats registered in Capellen (Luxemburg), being a 100% subsidiary of FCapital, acting on the basis of art.

## **AmRest Holdings SE**

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

73 paragraph 1 of the Act on Public Offering, intends to acquire 7.274.379 ordinary bearer shares of AmRest (nominal value EUR 0.01 each), entitling to 7.274.379 votes at the General Meeting of the Company and representing 34.29% of the share capital of the Company and 34.29% of the total number of votes at the General Meeting of the Company. Cullinan, together with its parent company FCapital, hold 6.726.790 shares of AmRest, entitling to 6.726.790 votes at the General Meeting of the Company and representing 31.71% of the share capital of the Company and 31.71% of the total number of votes at the General Meeting of the Company. As a result of the tender, Cullinan intends to hold, together with FCapital, 14.001.169 shares of AmRest, entitling to 14.001.169 votes at the General Meeting of the Company and representing 66% of the share capital of the Company and 66% of the total number of votes at the General Meeting of the Company. According to the tender offer, Cullinan will be the only acquirer of AmRest shares in the process of the tender.

Pursuant to the terms of the tender offer, completion of the tender is subject to receiving the unconditional approval of antitrust authorities for the sale of AmRest shares.

On July 27th, 2016 the Management Board of AmRest Holdings SE, acting on the basis of art. 80 sec. 1 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, announces the position of the Management Board regarding the tender offer to subscribe for shares in the Company announced by FCapital Dutch B.V. on 12th July, 2016. The announcement stated that concerning independent opinion of KPMG the price proposed in the tender offer is not within the range of fair value of the Company.

## Signatures of Board Members

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Drew O'Malley  
AmRest Holdings SE  
Board Member

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Wojciech Mroczyński  
AmRest Holdings SE  
Board Member

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Mark Chandler  
AmRest Holdings SE  
Board Member

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Jacek Trybuchowski  
AmRest Holdings SE  
Board Member

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Oksana Staniszevska  
AmRest Holdings SE  
Board Member

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Olgierd Danielewicz  
AmRest Holdings SE  
Board Member

*Wroclaw, August 12, 2016*

