AmRest Holdings N.V.

Condensed Consolidated Financial Statements

as at and for the quarter ended March 31th 2007

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Consolidated income statement
For the quarter ended 31 March

in thousands of Polish złoty	**3 months ended March 31 2007**	**3 months ended March 31 2006**
Restaurant sales	177 596	133 167
Restaurant expenses:		
Cost of food	(58 963)	(44 929)
Direct marketing expenses	(7 661)	(7 547)
Direct depreciation and amortization expenses	(10 136)	(9 413)
Payroll and employee benefits	(34 894)	(25 720)
Continuing franchise fees	(10 472)	(7 890)
Occupancy and other operating expenses	(29 199)	(23 407)
Total restaurant expenses	(151 325)	(118 906)
Gross profit on sales	26 271	14 261
General and administrative (G&A) expenses	(10 456)	(7 936)
Depreciation and amortization expense (G&A)	(576)	(491)
Other operating income/(expense), net	1 762	809
Gain/(loss) on the disposal of fixed assets	-	(89)
Impairment gain/(losses)	(18)	-
Profit from operations	16 983	6 554
Finance income	255	128
Finance costs	(1 134)	(627)
Share of profit of associates	258	200
Net profit before tax	16 362	6 255
Income tax expense	(3 075)	(934)
Net profit	13 287	5 321
Attributable to:		
Minority interests	6	4
Shareholders of the parent	13 281	5 317
Net profit for the period	13 287	5 321
Basic and diluted earnings per share in Polish złoty	0,98	0,39

Consolidated balance sheet
As of 31 March 2007 and 31 December 2006

in thousands of Polish złoty	**2007**	**2006**
Assets		
Property, plant and equipment, net	199 150	191 705
Intangible assets	12 178	12 829
Goodwill	23 473	23 516
Investments in associates	1 479	1 221
Other non-current assets	18 494	17 726
Deferred tax assets	8 490	9 336
Total non-current assets	263 264	256 333
Inventories	8 177	8 134
Trade and other receivables	13 557	11 460
Income tax receivable	-	-
Other current assets	6 722	5 976
Held-to-maturity investments	9 988	9 984
Cash and cash equivalents	19 341	25 241
Assets held for sale	3 861	3 861
Total current assets	61 646	64 656
Total assets	324 910	320 989
Equity		
Issued capital	519	519
Share premium	219 344	219 137
Retained deficit	(56 931)	(95 514)
Current year net profit	13 281	38 583
Cumulative translation adjustment	(5 223)	(4 940)
Equity attributable to shareholders of the parent	170 990	157 785
Minority interests	85	79
Total equity	171 075	157 864
Liabilities		
Interest-bearing loans and borrowings	68 113	72 140
Finance lease liabilities	3 278	3 326
Employee benefits	915	913
Provisions	3 705	5 565
Deferred tax liabilities	634	760
Other non-current liabilities	1 626	1 721
Total non-current liabilities	78 271	84 425
Interest-bearing loans and borrowings	4 226	918
Finance lease liabilities	70	68
Trade and other accounts payable	66 825	75 448
Income tax payable	4 443	2 266
Total current liabilities	75 564	78 700
Total liabilities	153 835	163 125
Total equity, minority interests and liabilities	324 910	320 989

Consolidated statement of cash flows
For the 3 months ended 31 March

in thousands of Polish złoty	**2007**	**2006**
Cash flows from operating activities		
Profit before tax	16 362	6 255
Adjustments for:		
Share of profit of associates	(258)	(200)
Amortization	1 396	1 412
Depreciation	9 316	8 492
Interest expense, net	517	1 594
Unrealized foreign exchange (gain)/loss	210	1 178
(Gain)/loss on disposal of fixed assets	-	89
Impairment losses	-	-
Equity–settled share based payments expenses	207	-
Forgiveness of loans	-	-
Working capital changes:		
(Increase)/decrease in receivables	(146)	6 419
(Increase)/decrease in inventories	(25)	(13)
(Increase)/decrease in other assets	(668)	(558)
Increase/(decrease) in payables and other liabilities	(8 845)	(1 791)
Increase/(decrease) in other provisions and employee benefits	(1 858)	652
Income taxes paid	(1 309)	(1 126)
Interest paid	(517)	(888)
Other	(168)	123
Net cash provided by operating activities	14 214	21 638
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(1 951)	-
Proceeds from the sale of property, plant and equipment	-	-
Acquisition of property, plant and equipment	(17 799)	(10 230)
Acquisition of intangible assets	(364)	(398)
Acquisition of investment in related parties	-	(10)
Loans repaid/(granted)	-	-
Net cash used in investing activities	(20 114)	(10 638)
Cash flows from financing activities		
Proceeds from borrowings	-	3 922
Acquisition of held-to-maturity investments	-	-
Proceeds from issuance of shares	-	-
Repayment of borrowings	-	(21 941)
Repayment of finance lease	(46)	-
Net cash provided by/(used in) financing activities	(46)	(18 019)
Net change in cash and cash equivalents	(5 946)	(7 019)
Cash and cash equivalents, beginning of period	25 241	31 575
Effect of foreign exchange rate movements	46	(198)
Cash and cash equivalents, end of period	**19 341**	**24 358**

Consolidated statement of changes in equity
for the 3 months ended 31 March 2007

in thousands of Polish zloty	Attributable to equity holders of the Company								Minority Interest	Total
	Share Capital (Note 19)	Share premium	Share options (Note 21)	Other reserves (Note 19)	**Total Reserves**	**Accumula-ted deficit**	**Currency translations**	**Total**		
As at 01.01.2006	**519**	210 302	2 147	6 191	**218 640**	**(94 986)**	**(614)**	**123 559**	**20**	**123 579**
Employees share option scheme – value of employee services	-	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	**(1 162)**	**(1 162)**	-	**(1 162)**
Profit for the period	-	-	-	-	-	**5 317**	-	**5 317**	**4**	**5 321**
Issue of shares	-	-	-	-	-	-	-	-	-	-
As at 31.03.2006	**519**	210 302	2 147	6 191	**218 640**	**(89 669)**	**(1 776)**	**127 714**	**24**	**127 738**
As at 01.01.2007	**519**	210 302	2 644	6 191	**219 137**	**(56 931)**	**(4 940)**	**157 785**	**79**	**157 864**
Employees share option scheme – value of employee services	-	-	207	-	**207**	-	-	**207**	-	**207**
Currency translation differences	-	-	-	-	-	-	**(283)**	**(283)**	-	**(283)**
Profit for the period	-	-	-	-	-	**13 281**	-	**13 281**	**6**	**13 287**
As at 31.03.2007	**519**	210 302	2 851	6 191	**219 344**	**(43 650)**	**(5 223)**	**170 990**	**85**	**171 075**

See accompanying notes to the consolidated financial statements.

Selected Notes to the Financial Statements

(a) Information on the Activities of the AmRest Group

Amrest Holdings N.V. (the "Company") was established as a joint stock company in October 2000 in the Netherlands. The Company's head office is located in Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Company's corporate offices are located in Wroclaw, Poland.

The principal activity of the Group, conducted by its subsidiaries in Poland, the Czech Republic and Hungary, is to operate, basing on franchise agreements, Kentucky Fried Chicken („KFC"), Pizza Hut and Burger King restaurants Additionally, in Poland and the Czech Republic, the Company operates its own proprietary restaurants, „Rodeo Drive" and „freshpoint".

On 27 April 2005, the shares of AmRest Holdings N.V. commenced trading on the Warsaw Stock Exchange ("WSE") in Poland.

Prior to 27 April 2005, the Company was jointly owned and controlled by International Restaurant Investments, LLC ("IRI") of the United States and Kentucky Fried Chicken Poland Holdings BV ("KFC BV") of the Netherlands. Before the initial public offering each shareholder possessed a 50% ownership.

In conjunction with the listing of the Company's shares on the WSE, YUM! sold all of its shares in the Company and is no longer a shareholder. Moreover, IRI also sold part of its shares as a result of the Company's IPO on the stock exchange.

As at 31 March 2007 the Company's largest shareholder with a 37,50% voting rights and ownership interest remained IRI.

Pizza Hut and KFC restaurants operate under franchise agreements with YUM! and YUM! Restaurants International Switzerland, Sarl („YRIS"), a subsidiary of YUM!. Each franchise agreement has a term of ten years, with an option of renewal by the Company for further ten years, subject to certain conditions being met as described in the agreements.

YUM! committed to notify the Company if it enters into another franchise, at least six months before the first KFC or Pizza Hut restaurant is opened in Poland, the Czech Republic or Hungary. During this period, the Company has the right to state its opinion on the issue. YUM! has indicated that at present it has no plans to conclude agreements with other prospective franchisees in Poland, Czech Republic and Hungary or to open new restaurants by itself.

On the 8th of March 2007 the Company signed the Development Agreement with Burger King Europe GmbH concerning the developing and opening Burger King restaurants under franchise agreements. Burger King restaurants operate under franchise agreements with Burger King Europe GmbH with headquartered in Zug, Switzerland. The license is granted for 10 years period commencing from the date the franchised restaurant opens for business. The Franchisee has the right to renew the term of the agreement for immediate subsequent second term of 10 years upon the fulfillment of certain pre-conditions

The Consolidated Financial Statements as at and for the three months ended 31 March 2007 comprise the data on the Company, its subsidiaries and on the Group's equity interest in associates.

As at March 31th 2007, the Group included the following subsidiaries:

Company	City and country of incorporation	Core business	Parent undertaking	Ownership interest and total vote	Date of effective control
American Restaurants Sp. z o.o.	Wrocław, Poland	Restaurant activity in Poland	AmRest Holdings N.V.	100.00 %	December 2000
American Restaurants s.r.o.	Prague, Czech Republic	Restaurant activity in the Czech Republic	AmRest Holdings N.V.	100.00 %	December 2000
International Fast Food Polska Sp. z o.o.	Wrocław, Poland	No operations conducted currently	American Restaurants Sp. z o.o.	100.00 %	January 2001
Pizza Hut s.r.o.	Prague, Czech Republic	No operations conducted currently	American Restaurants s.r.o. American Restaurants Sp. z o.o.	99.973% 0.027%	December 2000
American Restaurants, Kft	Budapest, Hungary	Restaurant activity in Hungary	American Restaurants Sp. z o.o.	100.00%	June 2006
Fried Chicken s.r.o.	Prague, Czech Republic	No operations conducted currently	Pizza Hut s.r.o.	100.00%	May 2005
Grifex I Sp. z o.o.	Wrocław, Poland	No operations conducted currently	American Restaurants Sp. z o.o.	48.00 %	September 2003
Galeria Arka Sp. z o.o.	Warsaw, Poland	Lessee of space where a restaurant is to be opened	American Restaurants Sp. z o.o.	100.00 %	March 2005
Amrest Ukraina t.o.w.	Kiev, Ukraine	Established to develop and operate Pizza Hut restaurants in Ukraine	American Restaurants Sp. z o.o.	100.00 %	December 2005
Doris 2006 Sp. z o.o	Warsaw, Poland	Lessee of space where a restaurant is to be opened	American Restaurants Sp. z o.o.	100.00 %	October 2006
AmRest Coffee Sp. z o.o	Wrocław, Poland	Operation of coffee stores in Poland	American Restaurants Sp. z o.o. Doris 2006 Sp. z o.o.	99.80 % 0.20%	March 2007

As at March 31th 2007, the Group included the following affiliates, consolidated with the equity method:

Company	City and country of incorporation	Core business	Parent undertaking	Ownership interest and total vote	Initial investment
Worldwide Communication Services LLC	Nevada, USA	Marketing services for the Group	American Restaurants Sp. z o.o.	33.33 %	October 2003
Global Communication Services Sp. z o.o. in liquidation	Warsaw, Poland	No operations conducted currently	Worldwide Communication Services LLC	33.33 %	May 2002
Synergy Marketing Partners Sp. z o.o.	Warsaw, Poland	Marketing services for the Group	Worldwide Communication Services LLC.	26.66%	May 2002
Red 8 Communications Group Sp. z o.o.	Warsaw, Poland	Marketing services for the Group	Worldwide Communication Services LLC	17.33%	May 2002
Synergy Marketing Partners s.r.o. in liquidation	Prague, Czech Republic	Marketing services for the Group	Synergy Marketing Partners Sp. z o.o.	24.00%	February 2005
SCM Sp. z o.o.	Chotomów, Poland	Delivery services for restaurants operated by the Group	American Restaurants Sp. z o.o.	45.00%	April 2005

The Group's corporate offices are located in Wrocław, Poland. The restaurants operated by the Group are located throughout Poland, the Czech Republic and Hungary.

Statement on the Accounts' Compliance with the International Financial Reporting Standards
These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (the "IFRS") and their interpretations adopted by the International Accounting Standards Board (the "IASB") in the form approved for application on the territory of the European Union by virtue of the IFRS Regulation (the European Commission 1606/2002).

(c) Seasonality of Production and Markets

In the case of the AmRest Group, the seasonality of sales and inventories is not significant, which is typical to the restaurant business.

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

(d) Non-Recurring Events with a Bearing on the Financial Performance

During the period covered by these financial statements no material non-recurring events took place.

(e) Form of Presentation of the Consolidated Financial Statements and Type and Value of Changes in the Applied Estimates

Amounts in these consolidated financial statements are presented in the Polish złoty (PLN), rounded off to full thousands. These financial statements were prepared based on the historical cost convention, except financial assets and liabilities (including derivative instruments) which are subject to measurement at fair value through profit or loss.

The preparation of financial statements in compliance with the International Financial Reporting Standards requires the Management Board to make certain assumptions, judgments and estimates, which are reflected in the applied accounting policies and affect the value of assets and liabilities, revenues and expenses disclosed in these financial statements. The estimates and the related assumptions, which are made on the basis of experience and various factors deemed relevant in given circumstances, are the basis for valuation of the assets and liabilities which do not directly result from other sources. Actual results may differ from the estimates.

Estimates and their underlying assumptions are reviewed on an on-going basis. Any adjustments of the accounting estimates are recognised in the period in which the adjustments were made, on condition that they concern this period only, or in the period in which they were made and in the future periods, if they concern both the current and future periods.

The most significant estimates and assumptions concern the valuation of property, plant and equipment, intangible assets, including goodwill, revaluation allowances for accounts receivable and inventories, and adjustment to the valuation of deferred tax assets. During the period covered by these financial statements, there were no material changes in the value of estimates disclosed in the previous reporting periods.

The accounting policies have been applied consistently in all periods presented in these consolidated financial statements. The accounting policies were applied consistently by all members of the Group.

(f) Issue, Redemption and Repayment of Debt and Equity Securities

During the period covered by these financial statements, no debt or equity securities were issued, redeemed or repaid.

(g) Dividend Payment

No dividends were paid during the period covered by these financial statements.

(h) Segment Reporting

Geographical Segments

The operations of the Group's restaurants are managed centrally. However, the restaurants operate mainly in two principal geographical areas: Poland and the Czech Republic.

Breakdown of the Group's revenue into geographical segments is based on the geographical location of customers. Breakdown of the Group's assets into geographical segments is based on the geographical location of the Group's assets.

The operations of the Group's restaurants represent a single business segment. The restaurants' products and customers can be described in a similar way. Business risks and operating margins are similar for all types of operated restaurants.
Inter-segment pricing is determined on an arm's length basis.

Geographical segment data for the period ended March 31th 2007 and for the comparable period ended March 31th 2006.

	Poland	***Czech***	***unallocated***	***Total***
3 months ended 31 March 2007				
Revenue from external customers	120 540	45 754	11 302	177 596
Inter-segment revenue	-	-	-	-
Operating profit/segment result	11 967	5 472	(456)	16 983
Finance income				255
Finance costs				(1 134)
Share of profit of associates	258	-	-	258
Income tax				(3 075)
Profit for the period				13 287
Segment assets	204 313	92 388	-	296 701
Investments in associates	1 479	-	-	1 479
Unallocated corporate assets	-	-	26 730	26 730
Consolidated total assets				324 910
Segment liabilities	45 792	92 372	-	138 164
Unallocated corporate liabilities			15 671	15 671
Consolidated total liabilities				153 835
Depreciation	6 515	2 445	356	9 316
Amortization	1 123	253	20	1 369
Capital investments	10 414	4 404	4 035	18 853
Impairment of fixed assets	-	-	18	18

	Poland	***Czech***	***unallocated***	***Total***
3 months ended 31 March 2006				
Revenue from external customers	96 179	36 988	-	133 167
Inter-segment revenue	-	-	-	-
Operating profit/segment result	5 416	1 592	(454)	6 554
Finance income				128
Finance costs				(627)
Share of profit of associates	200	-	-	200
Income tax				(934)
Profit for the period				5 321
Segment assets	176 596	81 466	-	258 062
Investments in associates	783	-	-	783
Unallocated corporate assets	-	-	14 313	14 313
Consolidated total assets				273 158
Segment liabilities	50 610	89 741	-	140 351
Unallocated corporate liabilities	-	-	5 069	5 069
Consolidated total liabilities				145 420
Depreciation	5 672	2 820	-	8 492
Amortization	1 250	162	-	1 412
Capital investments	6 463	4 163	-	10 626
Impairment of fixed assets	-	-	-	-

The unallocated column relates to corporate assets, liabilities (including borrowings and lease liabilities) and transactions of AmRest Holdings N.V., AmRest Ukraine t.o.w., corporate assets and liabilities of American Restaurants Kft. and amounts relating to income tax.

(i) Events Subsequent to the Balance-Sheet Date

No material events subsequent to the balance-sheet date occurred which are not disclosed in these financial statements.

(j) Effects of Changes in the Group's Structure

Acquisition of Bécsi út.13. Kft. by American Restaurants Kft., a Subsidiary

On the 19th of April American Restaurants Kft. purchased 100% shares in Bécsi út 13. Kft. Bécsi út 13. Kft. is the owner of the office building located at Bécsi út 13, Budapest. Acquisition of the above mentioned building is aimed to facilitate the extension of AmRest office in Budapest.

The fair value of assets acquired and liabilities assumed was as follows (in thousands of Polish zloty):

Cash	3
Fixed assets	1 892
Receivable	5
Other non current assets	9
Accounts payable and accruals	(6)
Net assets acquired	1 903
Cash paid on acquisition	1 903
Net cash and cash equivalents in subsidiary acquired	(3)
Cash outflow on acquisition	1 900

Establishment of AmRest Coffee Sp. z o.o. by American Restaurants Sp. z o.o. and Doris 2006 Sp. z o.o.

On the 27th of March 2007 American Restaurants Sp. z o.o. and Doris 2006 Sp. z o.o., the subsidiaries of AmRest, signed the Article of Association of AmRest Coffee Sp. z o.o.
American Restaurants Sp. zo.o. subscribed 499 shares of the new company which constitute 99.8% of AmRest Coffeee Sp. z o.o. equity and Doris 2006 Sp. z o.o. subscribed 1 share (0.2% of equity).

(k) Changes in Future and Contingent Liabilities

As in the previous reporting period, the Company's future liabilities follow from the Franchise Agreements and Development Agreement discussed in Section (a).

The Franchise Agreements with YUM!, discussed in Section (a), have a term of ten years each, the earliest of which commenced in 2000, and are renewable at the Company's option for a further ten years in accordance with their terms. The initial fees paid are approximately USD 40,900 per restaurant and renewal fees are 50% of the initial fees, adjusted to reflect changes in the US Consumer Price Index during the term of the relevant franchise.

Under the Franchise Agreements, the Company, through its subsidiaries, must from time to time upgrade, modify, renovate or replace all or part of its restaurants or any of their fittings, fixtures or signage or any of the equipment, systems or inventory used in the restaurant in order to maintain compliance with the relevant franchisor's then current standards. During each of the initial term and the renewal term, if any, the franchisor may not require more than two comprehesive refurbishments of all fittings, fixtures, signage, equipment, systems and inventory in the "front-of-house" area of each AmRest restaurant to then current standards and more than one comprehensive refurbishment of all fittings, fixtures, signage, equipment, systems and inventory in the "back-of-house" area of each restaurant. Individual franchise agreements signed after the Master Franchise Agreement do not contain this provision. The Company estimates the cost of upgrades at 2.5 percent of annual restaurant sales in future periods.

The Development Agreements with Burger King Europe GmbH (BKE), discussed in Section (a), have a term of 5 each year, since 2007 year. During the initial 5 years term the initial franchise fee payable by Developer shall be $25,000 for each Burger King restaurant with a franchise agreement providing for a term of 10 years (plus a further renewal franchise fee of $ 25,000 in case of a 10 years renewal of the franchise agreement at the Developer's option). The initial franchise fee shall be reduced by 50 % for the development of each Burger King restaurant which exceeds the number of Burger King restaurants to be developed and opened by Developer according to the development schedule.

l) Earnings per Ordinary Share

The basic and diluted earnings per ordinary share were computed as follows:

	3 months ended March 31 2007	3 months ended March 31 2006
Net profit attributable to shareholders of the parent(PLN ‘000)	13 287	5 321
Ordinary shares as at January 1st/April 1st	13 500 000	13 500 000
Effect of shares issued	-	-
Effect of stock options granted	43 000	-
Weighted average number of ordinary shares as at March 31	13 543 000	13 500 000
Basic and diluted earnings per share (PLN)	0,98	0,39