AmRest Holdings SE Capital Group

Q1 2016 QUARTERLY REPORT

Wroclaw, April 29th, 2016

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A. Q1 2016 Financial Report Additional Information

1. Selected financial information

Selected financial data, including key items of the interim consolidated financial statements as at and for the 3 months period ended on March 31st:

	3 months 2016 in thousands of PLN	3 months 2015 in thousands of PLN	3 months 2016 in thousands of EUR	3 months 2015 in thousands of EUR
Restaurant sales	858 221	750 351	196 831	178 842
Operating profit	55 153	43 656	12 649	10 405
Profit before tax	45 397	34 414	10 412	8 202
Net profit	38 519	26 489	8 834	6 314
Net profit attributable to non-controlling interests	(1 239)	(619)	(284)	(148)
Net profit attributable to equity holders of the parent	39 758	27 108	9 118	6 461
Cash flows from operating activities	57 943	58 115	13 289	13 850
Cash flows from investing activities	(58 967)	(42 090)	(13 524)	(10 030)
Cash flows from financing activities	5 113	2 038	1 173	486
Total cash flows, net	4 089	18 063	938	4 305
Total assets	2 811 361	2 606 740	658 645	637 501
Total liabilities and provisions	1 656 811	1 591 216	388 157	389 146
Long-term liabilities	1 179 727	1 267 272	276 386	309 922
Short-term liabilities	477 084	323 944	111 771	79 223
Equity attributable to shareholders of the parent	1 086 263	946 173	254 490	231 395
Non-controlling interests	68 287	69 351	15 998	16 960
Total equity	1 154 550	1 015 524	270 488	248 355
Share capital	714	714	167	175
Average weighted number of ordinary shares in issue	21 213 893	21 213 893	21 213 893	21 213 893
Average weighted number of ordinary shares for diluted earnings per shares	21 213 893	21 213 893	21 213 893	21 213 893
Basic earnings per share (PLN /EUR)	1.87	1.28	0.43	0.31
Diluted earnings per share (PLN /EUR)	1.87	1.28	0.43	0.31
Declared or paid dividend per share*	-	-	-	-

* In first quarter of 2015 and 2016 no dividends were paid.

Assets and liabilities are translated into the Polish zloty at exchange rates quoted for the balance sheet date by the National Bank of Poland. Income and expenses are translated at exchange rates approximated to the rates quoted for the date of a given transaction.
The above selected financial data were translated into the euro in accordance with the following policies:

- Assets and liabilities – at mid exchange rates quoted by the National Bank of Poland for a given balance-sheet date;
- Items in the income statement – at exchange rates representing the arithmetic

averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given calendar quarter.

2. **The Company has not published any forecasts of financial results.**

3. **Other information important for the assessment of the Company's personnel, economic and financial position as well as its financial result:**

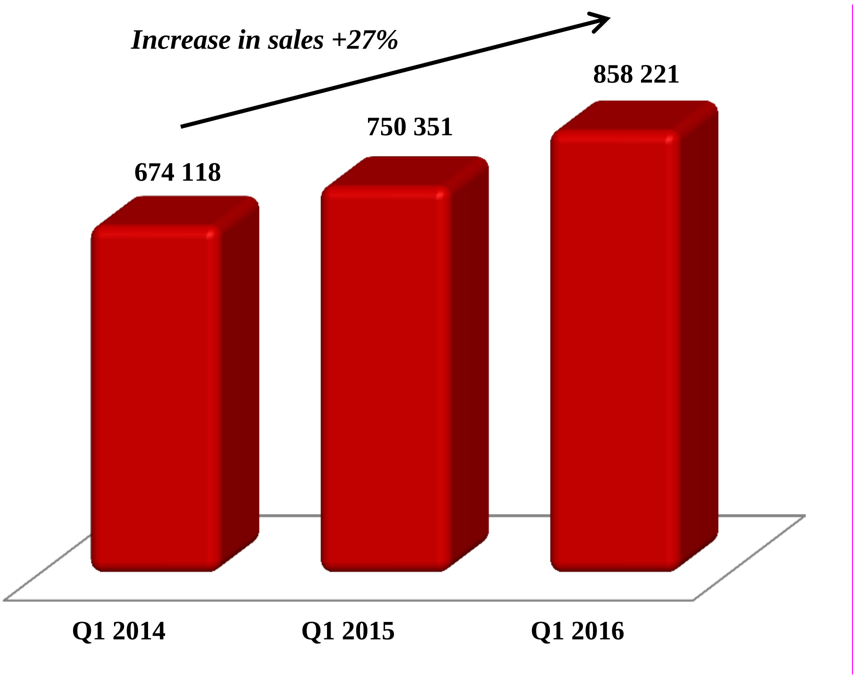
a) Significant personnel changes since last periodical report

Since the publication of the last annual consolidated report (March 11th, 2016), there were no changes in the composition of the Management Board.

b) The Company's performance

The revenues of AmRest Group in Q1 2016 amounted to PLN 858 million and were 14.1% higher than year ago. Solid top line growth resulted from continued positive trends in sales of comparable restaurants ("LFL") in most of the markets, additional revenues from newly opened locations and consolidated results of Starbucks chain in Romania and Bulgaria acquired by AmRest in June 2015.

Chart 1 AmRest Group's sales in Q1 2016 compared to previous years (in PLN thousand)



Large portion of sales increase came from Central and Eastern Europe („CE"). The revenues in this region grew by PLN 67 million compared to LY and amounted to PLN 514 million in Q1 2016 (+15.1%). LFL trends were solid in most of the brands and countries, with a double-digit growth observed in Czech Republic and Hungary. In addition, significantly strengthened restaurant portfolio supported top line growth. During the last 12 months ending 31st March 2016 AmRest opened 43 restaurants in CE. On top of it, 23 Starbucks stores were acquired in Romania and Bulgaria in June, which increased total store count in the region to 536.

The highest dynamics of sales were observed in Spain. The revenues of Spanish division increased by 20.9% and amounted to PLN 197 million in Q1 2016 (PLN +34 million vs Q1 2015). Continued solid LFL trends in La Tagliatella restaurants together with increased scale of new openings contributed highly to such growth. Within the last 12 months AmRest opened 6 new KFC locations and 23 La Tagliatella restaurants in Spain.

The revenues of Russian division grew by 1.9% in Q1 2016 to PLN 89 million, as additional sales from 10 restaurants opened during the last 12 months offset the impact of 4 closures and negative LFL trends (in PLN). It is worth mentioning that in local currency LFL trends maintained positive as a result on strong demand for KFC offer in Russia. In RUB terms, the revenues of Russian division grew by 14% compared to Q1 2015.

Dynamic expansion of Blue Frog and Kabb brands in China continued, with 9 restaurants opened during the last 12 months. Added revenues of new locations offset softened LFL trends in China and allowed for 9% top line growth of New Markets division. The revenues of PLN 59 million were recorded in Q1 2016.

Q1 2016 was another successful quarter for AmRest Group. Positive top line and bottom line trends across the board resulted in 21.1% increase in EBITDA, which amounted to PLN 116 million in Q1 2016. In the meantime, EBITDA margin reached 13.5%, which was 0.7pp higher than LY. Significant profitability improvement was mainly driven by strong performance in two major markets of AmRest – CE and Spain. This was further supported by continued reduction of losses in New Markets. On the consolidated level, favorable trends in cost of supply and successful negotiations of lease agreements were the key contributors to improved profitability in Q1 2016.

The largest portion of EBITDA growth came from CE. In Q1 2016 EBITDA of this division amounted to PLN 76 million and was 23.3% higher than year ago. The margin increased by 1pp and reached 14.8%. Benefits from lower cost of food helped to offset the pressure on labor costs. Additional savings were achieved in restaurants' maintenance expenses and start-up costs. Profitability of Czech and Hungarian markets deserves particular attention, as EBITDA margin in both countries well exceeded 15%. Continuous efficiency improvement in most of cost categories and strong focus on quality of operations, supported by solid top line growth in each of the brands enabled such results. CE margin was additionally strengthened by the acquisition of Starbucks chain in Romania. Profitability of Romanian Starbucks stores is the highest among the markets and exceeds 20%.

Spanish market recorded 17.3% increase in EBITDA, with PLN 39 million delivered in Q1 2016. EBITDA margin reached 19.8% and was the highest among divisions. Slight deterioration of margin (-0.6pp compared to LY) resulted mainly from higher G&A costs and start-up expenses (dynamic pace of new openings). LFL sales in La Tagliatella restaurants followed solid upward trend.

Profitability of Russian division in Q1 2016 benefited from continued positive LFL trends (in RUB) and further reductions in cost of labor and G&A. Achieved savings partly offset the negative impact of weaker ruble and growing costs of supplies and maintenance. Additionally, in Q1 2016 increased start-up costs were incurred. As a result, Q1 2016 EBITDA in Russia amounted to PLN 8 million and the margin dropped by 1.3pp to 9%.

Operating profit (EBIT) of the Company grew by 26.3% compared to LY and amounted to PLN 55 million in Q1 2016. EBIT margin grew by 0.6pp to 6.4%. Net profit attributable to AmRest's shareholders equaled PLN 39 million for the quarter and was 45.4% higher than year ago. Net profit margin grew by 1pp and reached 4.5%.

The balance sheet total amounted to PLN 2 811 million at the end of Q1 2016 and was PLN 205 million higher than year ago. Net debt to EBITDA ratio at the end of Q1 2016 stood at 1.80.

Chart 2 AmRest Group's EBITDA in Q1 2016 compared to previous years (in PLN thousand)

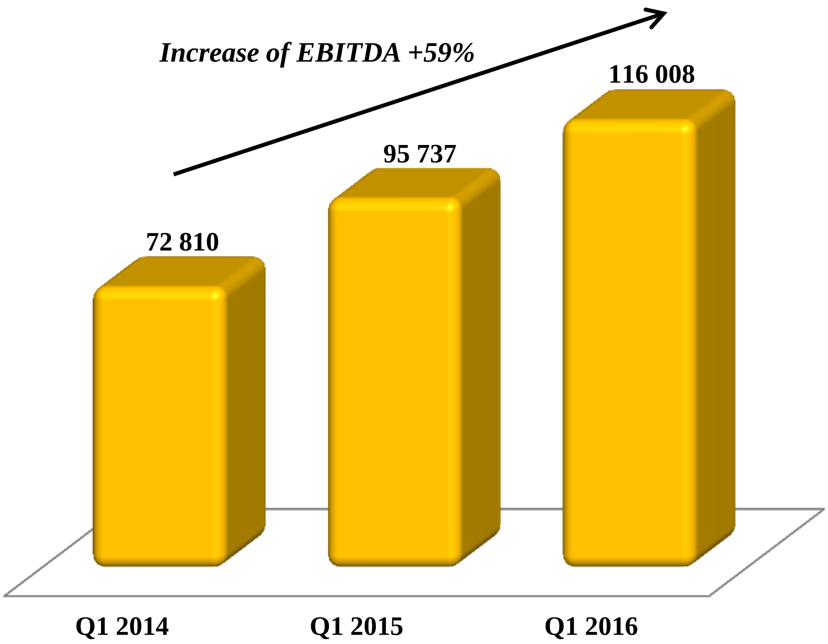


Table 1. Divisional split of revenues and EBITDA in the 1st quarter of 2016 and 2015

PLN '000	3 months ended March 31st, 2016			3 months ended March 31st, 2015		
		Share	Margin		Share	Margin
Sales	**858 221**			**750 351**		
Poland	329 717	38.4%		311 353	41.5%	
Czech Republic	109 246	12.7%		89 949	12.0%	
Other CEE	74 543	8.7%		44 875	6.0%	
Total CEE	513 506	59.8%		446 177	59.5%	
Russia	89 110	10.4%		87 480	11.7%	
Spain	196 994	23.0%		162 929	21.7%	
New Markets	58 611	6.8%		53 765	7.2%	
EBITDA	**116 008**		**13.5%**	**95 737**		**12.8%**
Poland	44 383		13.5%	42 266		13.6%
Czech Republic	19 750		18.1%	13 905		15.5%
Other CEE	11 910		16.0%	5 508		12.3%
Total CEE	76 043		14.8%	61 679		13.8%
Russia	8 006		9.0%	9 036		10.3%
Spain	39 043		19.8%	33 282		20.4%
New Markets	(1 597)		-	(3 445)		-
Unallocated	(5 487)		-	(4 815)		-
Adjusted EBITDA*	**113 596**		**13.2%**	**99 247**		**13.2%**
Poland	39 684		12.0%	43 233		13.9%
Czech Republic	20 124		18.4%	14 198		15.8%
Other CEE	12 052		16.2%	5 762		12.8%
Total CEE	71 860		14.0%	63 193		14.2%
Russia	8 966		10.1%	9 667		11.1%
Spain	39 693		20.1%	33 544		20.6%
New Markets	(1 436)		-	(2 342)		-
Unallocated	(5 487)		-	(4 815)		-
EBIT	**55 153**		**6.4%**	**43 656**		**5.8%**
Poland	20 912		6.3%	20 832		6.7%
Czech Republic	12 295		11.3%	7 441		8.3%
Other CEE	5 376		7.2%	2 435		5.4%
Total CEE	38 583		7.5%	30 708		6.9%
Russia	2 272		2.5%	3 087		3.5%
Spain	26 658		13.5%	22 068		13.5%
New Markets	(6 808)		-	(7 331)		-
Unallocated	(5 552)		-	(4 876)		-

**Adjusted EBITDA – EBITDA adjusted for new openings expenses (Start-up costs), M&A expenses: all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction, effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan) and indirect taxes - all material adjustments for indirect taxes reported in given period but concerning prior reporting periods resulting from tax fillings adjustments. Indirect taxes are mainly VAT, land tax and other EBITDA level taxes.*

Table 3 Reconciliation of adjusted Net Profit and EBITDA in the first quarter 2016 and 2015

in thousands of PLN		3 months ended March 31, 2016	*% of sales*	3 months ended March 31, 2015	*% of sales*	Q1oQ1 change	% of change
Restaurant sales		*799 730*	*93.2%*	*704 079*	*93.8%*	*95 651*	*13.6%*
Franchise and other sales		*58 491*	*6.8%*	*46 272*	*6.2%*	*12 219*	*26.4%*
Total sales		**858 221**		**750 351**		**107 870**	***14.4%***
Profit/(loss) for the period		**38 519**	***4.5%***	**26 489**	***3.5%***	**12 030**	***45.4%***
+	*Finance costs*	*10 198*	*1.2%*	*10 737*	*1.4%*	*(539)*	*(5.0%)*
-	*Finance income*	*(453)*	*(0.1%)*	*(1 492)*	*(0.2%)*	*1 039*	*(69.6%)*
-	*Income from associates*	*11*	*0.0%*	*(3)*	*0.0%*	*14*	*(466.7%)*
+	*Income tax expense*	*6 878*	*0.8%*	*7 925*	*1.1%*	*(1 047)*	*(13.2%)*
+	*Depreciation and amortisation*	*61 409*	*7.2%*	*51 867*	*6.9%*	*9 542*	*18.4%*
+	*Impairment losses*	*(554)*	*(0.1%)*	*214*	*0.0%*	*(768)*	*(358.9%)*
EBITDA		**116 008**	***13.5%***	**95 737**	***12.8%***	**20 271**	***21.2%***
+	*Start-up expenses**	*2 893*	*0.3%*	*3 510*	*0.5%*	*(617)*	*(17.6%)*
+	*Indirect taxes adjustments***	*(5 305)*	*(0.6%)*	*0*	*0.0%*	*(5 305)*	*n/a*
Adjusted EBITDA		**113 596**	**13.2%**	**99 247**	**13.2%**	**14 349**	**14.5%**

** Start-Up expenses – all material operating expenses incurred in connection with new stores opening prior the opening.*

*** Indirect taxes - all material adjustments for indirect taxes reported in given period but concerning prior reporting periods resulting from tax fillings adjustments. Indirect taxes are mainly VAT, land tax and other EBITDA level taxes.*

c) Transactions or agreements resulting in related party transactions and other significant events since issuing last financial report (March 11th. 2016)

On April 20th, 2016 Management Board of AmRest announced signing of a Sale and Purchase Agreement (the "SPA"), dated April 19th, 2016, between AmRest Capital ZRT ("Buyer 1"), AmRest Kaffee Sp. z o.o. („Buyer 2") (collectively „Buyers"), AmRest Work Sp. z o.o. ("New General Partner") and AmRest Holdings SE ("Guarantor"), Starbucks Coffee EMEA B.V. ("Seller") and Starbucks EMEA Ltd ("Hitherto General Partner"). Under the terms of the SPA Buyers acquired 100% partnership interest in Starbucks Coffee Deutschland Ltd & Co. KG ("Starbucks Deutschland") and the hitherto General Partner of Starbucks Deutschland was replaced with New General Partner. Estimated purchase price is expected at ca. EUR 41 million (ca. PLN 178 million). Final purchase price will be determined as at the day of the transaction closing.

Starbucks Deutschland is an operator of Starbucks stores in Germany (which are the subject of SPA) and a subsidiary of Starbucks Corporation - the owner of the Starbucks brand. At the date of the SPA signing Starbucks Deutschland managed 144 equity restaurants in dozens cities across the country. Estimated revenues of Starbucks Deutschland in the financial year 2015 amounted to approx. EUR 131 million (ca. PLN 564 million) and EBITDA profit calculated for the purpose of purchase price estimation stood at approx. EUR 6 million (ca. PLN 25 million).

The parties of SPA intend to close the transaction by the end of May 22nd, 2016 ("Completion"). The SPA does not provide for additional conditions the Completion is contingent upon, beyond the standard material adverse change clause ("MAC"). SPA shall enter into force on May 23rd, 2016. On or before that day, Starbucks Deutschland will be renamed to AmRest Coffee Deutschland Sp. z o.o. & Co. KG ("AmRest Coffee Deutschland").

Simultaneously, Management Board of AmRest informed that StarbucksCoffee Deutschland, Starbucks EMEA LTD and Starbucks Manufacturing EMEA B.V. (collectively: "Starbucks") signed on April 19th, 2016 the Area Development and Operation Agreement ("ADOA") and Supply Agreement regarding the rights and license to develop, own and operate Starbucks stores in Germany (collectively: the "Agreements"). Agreements are conditional and will come into force after the Completion of the SPA.

The Agreements are concluded for a period of 15 years from the date of their entry into force, with an option to extend the term for additional 5 years upon the fulfillment of certain conditions.

The key fees and costs to be borne by the AmRest Coffee Deutschland will be:

- the initial franchise fee of USD 25 thousand (ca. PLN 95 thousand) for each new location opened,

- the continuing licensing and service fee equal to 6% of sales revenues of each Starbucks store,

- a local marketing spend obligation is to be mutually agreed annually (for the first year of the Agreements, the amount shall be 4 percent of sales).

AmRest Coffee Deutschland agrees to open and operate Starbucks stores in strict accordance with the development schedule specified in the Agreements. If AmRest Coffee Deutschland fails to meet the development obligations, Starbucks will have the right to charge a development default fee or to terminate the ADOA and Supply Agreement. The Agreements include the provision concerning the purchase of coffee and other basic supplies either from Starbucks or other approved or designated suppliers.

In the opinion of the Management Board of AmRest there is a great potential for development of

Starbucks brand in the German market. The Company's intention is to triple the scale of that business within the coming years.

Announced acquisition is another milestone in building the leading position of AmRest in European restaurant market. Management Board of the Company believes that the addition of well positioned Starbucks business in Germany will contribute to value creation for AmRest’s shareholders.

4. Risk factors

The Management Board of AmRest is responsible for the risk management system and internal control system as well as for the system of reviewing those systems in terms of operating effectiveness. The systems help in the identification and management of risks which could prevent AmRest from realizing its long-term goals. Nevertheless, the existence of the systems does not allow for the total elimination of the risk of fraud and illicit actions. The Management Board of AmRest reviewed, analyzed and ranked the risks to which the Company is exposed. The current basic risks and threats have been summarized in this section. AmRest reviews and enhances its risk management systems and internal control systems on a current basis.

a) Factors remaining outside the Company’s control

This risk is related to the effect of factors remaining outside the Company's control on AmRest's development strategy which is based on opening new restaurants. Such factors include: opportunities for finding and securing available and appropriate locations for restaurants, the ability to obtain the permits required by relevant bodies, the possibility of delays in opening new restaurants.

b) Dependency on the franchisor

AmRest manages KFC, Pizza Hut, Burger King and Starbucks (in Romania and Bulgaria) as a franchisee, and therefore a number of factors and decisions related to the business activities conducted by AmRest depend on the limitations or specifications imposed by the franchisors or on their consent.

The duration of the franchising agreements related to the KFC, Pizza Hut and Burger King brands is 10 years. AmRest has the option of extending this period for the next 10 years provided that it meets the conditions specified in the franchising agreements and other requirements, including the payment of the related continuation fee.

Despite meeting the above-mentioned terms, there is no guarantee that after the expiry of these periods a given franchising agreement will be prolonged to the next period. In the case of KFC and Pizza Hut restaurants, the first period commenced in 2000, in the case of Burger King, the first period commenced in 2007 with the opening of the first restaurant of this brand.

Franchise agreements for Starbucks stores in Romania are valid till 2023, while in Bulgaria until 2027.

c) Dependency on joint venture partners

AmRest opens Starbucks restaurants through joint venture Companies in Poland, the Czech Republic and Hungary, based on a partnership as part of joint venture agreements. Therefore, some decisions as part of the joint business activities will be dependent on the partners’ consent.

The joint venture agreements with Starbucks were concluded for a period of 15 years with a possibility of their extension for the next 5 years upon meeting the specified conditions. Should AmRest fail to comply with the obligation to open and run the minimum specified number of cafés, Starbucks Coffee International, Inc. shall have the right to increase its share in the joint venture companies by acquiring shares from AmRest Sp. z o.o. at a price agreed between the parties based on the valuation of the joint venture companies.

d) No exclusive rights

The franchising agreements concerning the running of KFC, Pizza Hut and Burger King restaurants do not contain provisions on granting AmRest any exclusive rights on a given territory, protection or any other rights on the territory, in the area or on the market surrounding AmRest restaurants. However, in practice, due to the scale of AmRest's operations (including a well-developed distribution network), the possibility that a competitive operator (to the brands currently operated by the Company) should appear who would be able to effectively compete with the AmRest Group restaurants is relatively limited.

In the case of Starbucks restaurants, the joint venture companies are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusive rights to some institutional locations. The exclusive rights apply also to restaurants operated in Romania and Bulgaria.

e) Rental agreements and continuation options

Almost all AmRest restaurants operate in rented facilities. The majority of the rental contracts are long-term and they are usually concluded for at least 10 years from the date of commencing the rental (assuming that all continuation options are exercised, on specified terms, and not including contracts which are subject to periodic renewal, unless they are terminated, and contracts concluded for an indefinite period). A number of rental contracts grant AmRest the right to prolong the contract provided that the Company complies with the terms of rental. Regardless of whether the terms are complied with or not, there is no guarantee that AmRest will be able to prolong a rental contract on terms satisfactory from the point of view of business practice. If this is not possible a potential loss of important restaurant locations may have an unfavourable effect on AmRest's operating results and its business activities.

Moreover, in certain circumstances AmRest may make a decision to close a given restaurant and terminating the relevant rental contract on cost effective terms may prove impossible. This situation may also have an adverse effect on the business activities and operating results of the Company. Closing any of the restaurants is subject to approval by the franchisor and it is not certain that such approval will be obtained.

In the case of Russian and Chinese restaurants acquired by AmRest accordingly in July 2007 and December 2012, the average term of the rental contracts is relatively shorter compared with AmRest restaurants in the remaining countries. This results from the specific nature of the Russian market.

f) Risk related to the consumption of food products

Consumer preferences may change in connection with doubts arising as to the healthful properties of chicken which is the main ingredient in KFC menu, or as a result of unfavourable information being circulated by the mass media concerning the quality of the products, diseases caused by them and damages to health as a result of eating in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB, and as a result of revealing unfavourable data prepared by the government or a given market sector concerning the products served in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB, health-related issues and issues related to the functioning patterns of one or more restaurants run both by AmRest and the competition. The above-mentioned risk is limited by using the highest quality ingredients in AmRest restaurants, which come from reliable and reputable suppliers, compliance with strict quality control and hygiene standards and the use of top modern equipment and processes which ensure the absolute safety of the meals.

g) Risk related to keeping key personnel in the Company

The Issuer's success depends to some extent on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Issuer help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. The Issuer believes it will be able to replace its key personnel. Regardless of that, their loss may have a short-term adverse effect on the business activities and operating results of the Issuer.

h) Risk related to labour costs of restaurant employees and employing and keeping professional staff

Running catering activities on such a large scale as the Issuer does requires employing a large number of professionals. Excessive outflow of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in Poland, the Czech Republic and Hungary (including in the catering sector) are still decidedly lower than in other European Union countries, there is a risk of outflow of qualified staff and thus a risk of the Company being able to ensure the appropriate staff necessary for providing the highest quality catering services. In order to avoid the risk of losing qualified staff it may be necessary to gradually increase the salary rates, which may have an adverse effect on the financial standing of the Issuer.

i) Risk related to limited access to foodstuffs and the variability of their cost

The Issuer’s situation is also affected by the need to ensure frequent deliveries of fresh agricultural products and foodstuffs and anticipating and responding to changes in supplies costs. The Company cannot rule out the risk related to delivery deficits or interruptions caused by factors such as unfavourable weather conditions, changes in legal regulations or withdrawing some foodstuffs from trading. Also the increased demand for certain products accompanied by limited supply may lead to difficulties in obtaining them by the Company or to price increases for those products. Both the deficits and product price increases may have an adverse effect on the Group‘s results, operations and financial standing. In order to mitigate this risk (among others) AmRest Sp. z o.o. concluded a contract with SCM Sp. z o.o. for the provisions of services comprising intermediation and negotiating terms of delivery to restaurants, including negotiating terms of distribution agreements.

j) Risk related to developing brands

AmRest has operated the Burger King, Starbucks, La Tagliatella, Blue Frog and KABB brands for a relatively short time. As these are new concepts for AmRest, there is a risk related to demand for the products offered and their acceptance by customers.

k) Risk related to opening restaurants in new countries

Opening or taking over restaurants operating in a new geographical and political area involves the risk of varying consumer preferences, a risk of insufficient knowledge of the market, the risk of legal restrictions arising from local regulations and the political risk of these countries.

l) Currency risk

The results of AmRest are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in the individual Capital Group companies. The Company adjusts its currency portfolio of debt to the geographical structure of its profile of activities. Additionally, AmRest uses forward contracts to secure transaction risks on a short term basis.

m) Risk related to the current geopolitical situation in the Ukraine and Russia

Russia is one of the largest markets for AmRest. The recent geopolitical and economic turmoil witnessed in the region, in particular the developments in Ukraine, have had and may continue to have a negative impact on the Russian economy, including weakening of the Russian Ruble, higher interest rates, reduced liquidity and consumer confidence. These events, including current and future international sanctions against Russian companies and individuals and the related uncertainty and volatility of the supply chain, may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from management's expectations however it is being monitored in order to adjusts strategic intentions and operational decisions, which will minimize business risks.

n) Risk of increased financial costs

The Issuer and its subsidiaries are exposed to the significant adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating and fixed interest rates. The interest rates of bank loans and borrowings and issued bonds is based on floating reference rates which are updated over periods shorter than one year. Interest on financial assets with fixed interest rates is fixed over the entire period to maturity of these instruments. Additionally, the Issuer and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts the valuation of which is significantly affected by the level of reference rates.

o) Liquidity risk

The Company is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at March 31st, 2016, the Company had enough short-term assets, including cash and promised credit limits, to fulfil is liabilities due in the next 12 months.

p) Risk of economic slowdowns

Economic slowdown in the countries where AmRest runs its restaurants may affect the level of consumption expenditure on these markets, which in turn may affect the results of the AmRest restaurants operating on these markets.

q) Risk related to seasonality of sales

The seasonality of sales and inventories of AmRest is not significant, which is typical for the restaurant industry. On the European market restaurants record lower sales in the first half of the year, mainly due to the lower number of sale days in February and the relatively less frequent visits to restaurants.

r) Risk of computer system breakdowns and temporary breaks in serving customers in network restaurants

A potential partial or complete loss of data in connection with computer system breakdowns or damage or loss of key tangible fixed assets of the Company might result in temporary interruptions in serving customers in restaurants, which might have an adverse effect on the Group's financial results. In order to minimize this risk, the Issuer has implemented appropriate procedures in order to ensure the stability and reliability of IT systems.

5. **During the period covered by this quarterly report, the Company did not issue the sureties in respect of loans or guarantees whose value represent 10% or more of the Company's equity.**

6. **As at the date of release of this quarterly report no court arbitration or administrative proceedings whose single or aggregate value exceeds 10% of the Company's equity were pending against the Company.**

7. **During the period covered by this quarterly report, the Company did not issue, redeem and repay any debt securities.**

8. **Dividends paid and received during the period covered by these financial statements.**

During the period covered by these financial statements the Group has not paid and received the dividend.

9. **Information on the activities of the AmRest Group**

AmRest Holdings SE ('the Company') was established in the Netherlands in October 2000 as a joint-stock company. On September 19th, 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 22nd, 2008. the District Court for Wroclaw - Fabryczna in Wroclaw registered the new office of AmRest in the National Court Register. The address of the Company's current registered office is: pl. Grunwaldzki 25-27, Wroclaw (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 the 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 1st, 2009 is polish zloty (PLN).

AmRest with its subsidiaries in the financial report will be called as "Group".

These consolidated financial statement was approved by the Company's Management Board on April 29th, 2016.

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

As at the date of release of this quarterly report, that is April 29th, 2016 the Group operates 919 restaurants.

The Group's operations are not materially seasonal.

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

As for March 31st, 2016 the Company's largest shareholders was FCapital Dutch B.V. (the subsidiary of Finaccess Capital, S.A. de C.V) having 31.71% shares and voting rights.

The Group operates its restaurants mainly on a franchise basis. The table below shows the terms and conditions of cooperation with franchisers of particular brands operated by AmRest.

Brand	KFC, Pizza Hut	Burger King	Starbucks
Type of cooperation	franchise agreement	franchise agreement	joint venture[1)]/franchise agreement
Franchiser/Partner	YUM! Restaurants International Switzerland	Burger King Europe GmbH	Starbucks Coffee International. Inc./Starbucks Coffee EMEA B.V., Starbucks Manufacturing EMEA B.V.
Area covered by the agreement	Poland, Czech, Hungary, Bulgaria, Serbia, Russia, Croatia	Poland, Czech, Bulgaria	Poland, Czech, Hungary
Term of agreement	10 years, possibility of extension for a further 10 years	Poland, Czech, Bulgaria – 20 years	15 years, possibility of extension for a further 5 years
Preliminary fee	USD 48.4 thousand[2)]	USD 50 thousand	USD 25 thousand
Franchise fee	6% of sales revenues	5% of sales revenues	6% of sales revenues
Marketing costs	5% of sales revenues	5% of sales revenues [3)]	amount agreed annually between the parties
Additional provisions			preliminary fees for brand development[4)]

Explanations:

1) Starbucks – the AmRest Group took up 82%. and Starbucks 18% of the share capital of the newly-established joint venture companies in Poland, Czech Republic and Hungary. In the ninth year Starbucks will have an unconditional option of increasing its shares to a maximum of 50%. In the event of a disputed take-over or change of control over the Company and/or its shareholders. Starbucks will be entitled to increase its share to 100% by purchasing shares from the Group.

2) The fee valorized at the beginning of calendar year by the inflation rate.

3) Marketing expenses for the Burger King brand are equal to 2.5% of the sales revenues over the first 2 years of operation, 2% in the 3rd year and 5% in consecutive years of operation.

4) Preliminary fees for the markets on which the Starbucks restaurants will be operated. taking into account the fee for providing services, amount to USD 400 thousand in respect of Poland. USD 275 thousand in respect of Czech and USD 275 thousand in respect of Hungary.

Due to possessing own brands, which are the subject of franchise agreements with third parties. the Group required the determination of following accounting principles:

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

As at March 31st, 2016, the Group included the following subsidiaries:

Company name	**Seat**	**Parent/non-controlling undertaking**	**Owner-ship interest and total vote**	**Date of effective control**
		Holding activity		
AmRest Acquisition Subsidiary Inc.	Wilmington, USA	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.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

Company name	Seat	Parent/non-controlling undertaking	Ownership interest and total vote	Date of effective control
Blue Horizon Hospitality Group PTE Ltd	Singapore, China	AmRest Holdings SE WT Equities BHHG MJJP Coralie Danks	62.33% 14.10% 14.10% 4.24% 5.23%	December 2012
Bigsky Hospitality Group Ltd	Hong Kong, China	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants (BVI)	Road Town, Tortola, BVI	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
		Restaurant activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czech	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	March 2007
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Petersburg, Russia	AmRest Acquisition Subsidiary Inc. AmRest Sp. z o.o.	0.88% 99.12%	July 2007
AmRest Coffee s.r.o.	Prague, Czech	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	August 2007
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o. Starbucks Coffee International, Inc.	82.00% 18.00%	August 2007
AmRest d.o.o.	Belgrade, Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00% 40.00%	October 2007
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

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Shanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Shanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Shanghai, China	Horizon Group Consultants (BVI)	97.50%	December 2012
		Shanghai Renzi Business Consultancy Co. Ltd	2.50%	
AmRest Skyline GMBH	Frankfurt, 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 Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100,00%	June 2015
AmRest Coffee 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.	92.50%	December 2015
		AmRest Sp. z o.o.	7.50%	
Financial services for the Group				
AmRest Capital Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
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 Asia Pacific Ltd	Hong Kong, China	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 Kaffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	99.00%	March 2016
		Aleksander Krawczyk	1.00%	
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
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o	100.00%	March 2012

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

As at March 31st, 2016, the Group included the following affiliates consolidated with the equity method:

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total Group vote	Initial investment
SCM s.r.o.	Prague, Czech	Delivery services for restaurants provided to the Group	SCM Sp. z o.o.	45.90%	March 2007

The Group's office is in Wroclaw, Poland. At March 31st, 2016 the restaurants operated by the Group are located in Poland, the Czech Republic, Hungary, Russia, Bulgaria, Romania, Serbia, Croatia, Spain, Germany, France and China.

10. Pursuant to the information available to the Company, as at the date of release of this quarterly report, that is April 29th, 2016. 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 ("AmRest"):

Shareholder	Number of shares	% share in capital	Number of votes at the Shareholders' Meeting	% of votes
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%
PZU PTE***	2 120 901	9.998%	2 120 901	9.998%
Aviva OFE	2 100 000	9.90%	2 100 000	9.90%
Free float	7 726 773	36.42%	7 726 773	36.42%

* 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 DTE PZU and OFE PZU "Złota Jesień"

11. Changes in the shareholding structure

Changes in the shareholding with respect to the shareholders holding over 5% of votes at the General Meeting of Shareholders

Since the publication of the previous periodical report (March 11th, 2016) there were no changes in the shareholding structure of AmRest.

Changes in the number of shares held by members of AmRest Management and Supervisory Boards

During the period since the publication of the previous periodical report (March 11th, 2016) there were no changes with respect to AmRest shares and stock options held by the members of the Management and Supervisory Boards of AmRest.

According to the best knowledge of AmRest, there are five members of Management Board, who owns the Issuer's shares: Mr. Wojciech Mroczyński, Mr. Jacek Trybuchowski, Mr. Drew O'Malley, Mrs. Oksana Staniszewska and Mr. Olgierd Danielewicz.

As at March 31st, 2016 (and simultaneously on the date of publication of this report) Mr. Mroczyński held 12 315 shares of the Company with a total nominal value of EUR 123.15.

As at March 31st, 2016 (and simultaneously on the date of publication of this report)

Mr. Trybuchowski held 34 758 shares of the Company with a total nominal value of EUR 347.58.

As at March 31st, 2016 (and simultaneously on the date of publication of this report) Mr. O'Malley held 19 040 shares of the Company with a total nominal value of EUR 190.40.

As at March 31st, 2016 (and simultaneously on the date of publication of this report) Mrs. Staniszewska held 2 020 shares of the Company with a total nominal value of EUR 20.20.

As at March 31st, 2016 (and simultaneously on the date of publication of this report) Mr. Danielewicz held 4 800 shares of the Company with a total nominal value of EUR 48.00.

Pursuant to the information available to the Company, the only Supervisory Board member, who owns the Issuer's shares are Mr. Henry McGovern and Mr. Steven Kent Winegar.

As at March 31st, 2016 (and simultaneously on the date of publication of this report) Mr. McGovern held (personally and through closely related entities) 828 056 shares of the Company with a total nominal value of EUR 8 280.56.

As at March 31st, 2016 (and simultaneously on the date of publication of this report) Mr. Winegar held indirectly (through closely related entities, together with a closely related person) 404 000 shares of the Company with a total nominal value of EUR 4 040.00.

Transactions on AmRest shares executed by persons having access to confidential information since issuing last financial report (March 11th, 2016)

Since the publication of the previous periodical report (March 11th, 2016) there were no transactions on AmRest shares executed by persons having access to confidential information.

Transactions on AmRest shares concluded for the purpose of executing the management option plan are presented in table below.

The Company started the buyback based on Resolution No. 16 of the Annual General Meeting of AmRest of 10**th** June 2011 on the authorization of Company's Management Board to acquire Company's own shares and the establishment of a reserve capital for the acquisition of own shares.

In the period between issuing last financial report (March 11th, 2016) and the day of publication of this report AmRest did not purchased any own shares. During the same period, the Company disposed a total of 7 378 own shares to entitled participants of the stock options plans.

conclusion date	settlement date	purchase/ disposal	number of purchased/ sold shares	average purchase/ sale price of shares	Nominal value of shares [EUR]	% of the share capital of the Company	number of votes at GSM	total number of shares	total number of votes at GSM	% of the total number of votes in the Company
04.04.2016	04.04.2016	D	3 990	0.00	0.01	0.0289%	6 140	102 079	102 079	0.4812%
			50	70.00	0.01					
			100	78.00	0.01					
			1 000	86.00	0.01					
			1 000	96.50	0.01					
05.04.2016	05.04.2016	D	467	0.00	0.01	0.0022%	467	101 612	101 612	0.4790%
13.04.2016	13.04.2016	D	381	70.00	0.01	0.0036%	771	100 841	100 841	0.4754%
			150	78.00	0.01					
			160	81.00	0.01					
			80	81.82	0.01					

B. Interim Consolidated Financial Statements for the quarter ended March 31st, 2016

1. **Statement on the Accounts' Compliance with International Financial Reporting Standards**

These consolidated interim 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).

2. **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 centers.

3. **Form of Presentation of the Consolidated Financial Statements and Type and Value of Changes in the Applied Estimates**

Amounts in these consolidated interim financial statements are presented in the Polish zloty (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 recognized 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.

4. Segment Reporting

Operating Segments

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

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

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

Below are presented data relating to operating segments for the 3 months ended March 31st, 2016 and comparative period ended March 31st, 2015.

	CEE	*Spain*	*New Markets*	*Russia*	*Unallocated*	*Total*
Three months ended March 31st, 2016						
Revenue from external customers	513 506	196 994	58 611	89 110	-	858 221
Operating result, segment result	38 583	26 658	(6 808)	2 272	(5 552)	55 153
Finance income	-	-	-	-	453	453
Finance costs	-	-	-	-	(10 198)	(10 198)
Share of profits of associates	(11)	-	-	-	-	(11)

	CEE	Spain	New Markets	Russia	Unallocated	Total
Income tax	-	-	-	-	(6 878)	(6 878)
Deferred tax assets	24 047	-	2 535	-	8 193	34 775
Gain for the period	-	-	-	-	38 519	38 519
Segment assets	1 064 552	1 169 651	243 083	266 169	67 090	2 810 545
Investments in associates	816	-	-	-	-	816
Total assets	1 065 368	1 169 651	243 083	266 169	67 090	2 811 361
Goodwill	32 970	382 369	90 912	78 229	-	584 480
Segment liabilities	237 982	77 734	44 576	26 089	1 270 430	1 656 811
Employee benefits	22 986	10 867	5 129	4 451	1 004	44 437
Depreciation	33 375	9 790	4 898	5 650	2	53 715
Amortization	4 434	2 595	313	289	63	7 694
Capital investment	41 281	14 614	2 779	14 593	30	73 297
Impairment of trade receivables	(349)	-	-	(205)	-	(554)
Three months ended March 31st, 2015						
Revenue from external customers	446 177	162 929	53 765	87 480	-	750 351
Inter-segment revenue	-	-	-	-	-	-
Operating result, segment result	30 708	22 068	(7 331)	3 087	(4 876)	43 656
Finance income	-	-	-	-	1 492	1 492
Finance costs	-	-	-	-	(10 737)	(10 737)
Share of profits of associates	3	-	-	-	-	3
Income tax	-	-	-	-	(7 925)	(7 925)
Deferred tax assets	12 408	5 853	2 375	-	-	20 636
Gain for the period	-	-	-	-	26 489	26 489
Segment assets	915 285	1 115 644	250 533	299 685	25 187	2 606 334
Investments in associates	406	-	-	-	-	406
Total assets	915 691	1 115 644	250 533	299 685	25 187	2 606 740
Goodwill	23 185	366 298	96 134	93 170	-	578 787
Segment liabilities	195 194	84 133	40 026	23 663	1 248 200	1 591 216
Depreciation	28 590	8 422	3 741	5 715	-	46 468
Amortization	2 062	2 768	295	234	40	5 399
Capital investment	25 788	3 777	6 297	6 215	13	42 090
Impairment of fixed assets	3	24	(150)	-	-	(123)
Impairment of trade receivables	330	-	-	-	21	351
Impairment of inventories	(14)	-	-	-	-	(14)

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

Goodwill was allocated to given reporting segments.

5. Changes in Future and Contingent Liabilities

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

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

The franchise agreements typically require that the Group pays an initial, non-refundable fee upon the opening of each new restaurant, pays continuing fees of 6% percent of revenues and commit 5% percent of revenue to advertising as specified in the relevant agreement. In addition, at the conclusion of the initial term of the franchise agreement, the Group may renew the franchise agreement, subject to a renewal fee.

The initial, non-refundable fees constitute in substance rights to use Pizza Hut and KFC trademarks and are included in 'intangible assets' and amortized over the period of the agreement (usually ten years). Continuing fees are expensed as incurred. Renewal fees are amortized over the renewal period when a renewal agreement becomes effective.

The initial fees paid are approximately USD 48.4 thousand per restaurant and renewal fees are 50% of the initial fees, adjusted to reflect changes in the US Consumer Price Index during the term of the relevant franchise.

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

- The license is granted for 20 years period commencing from the date the franchised restaurant opens for business.The initial franchise fee is USD 50 thousand;
- Franchisee must pay monthly continuing fees to the franchisor equal to 5% of the Gross Sales of the Burger King restaurant operated by Franchisee;
- Franchisee must pay monthly continuing advertising and sales promotion fees equal to 5% of the Gross Sales of the Burger King restaurant operated by franchisee.

The key fees and costs to be borne by the Group relating to agreements with Starbucks Coffee International. Inc. will be as follows:

- The development and service fees for initial operation support equal to an amount USD 950 thousand;
- The initial franchise fee of USD 25 thousand for each Starbucks store;
- The continuing licensing and service fee equal to 6% of sales revenues of each Starbucks store;
- A local marketing spend obligation is to be mutually agreed annually.

Interim consolidated income statement for the quarter ended March 31st, 2016

in thousands of Polish zloty	3 months ended March 31st, 2016	3 months ended March 31st, 2015
Continuing operations		
Restaurant sales	799 730	704 079
Franchise and other sales	58 491	46 272
Total sales	858 221	750 351
Company operated restaurant expenses:		
Food and material	(248 023)	(221 010)
Payroll and employee benefits	(182 683)	(159 688)
Royalties	(38 568)	(34 479)
Occupancy and other operating expenses	(244 393)	(215 537)
Franchise and other expenses	(37 446)	(30 250)
General and administrative (G&A) expenses	(60 461)	(50 140)
Impairment losses	554	(214)
Other operating income	7 952	4 623
Total operating costs and losses	(803 068)	(706 695)
Profit from operations	**55 153**	**43 656**
Finance costs	(10 198)	(10 737)
Finance income	453	1 492
Income from associates	(11)	3
Profit before tax	**45 397**	**34 414**
Income tax	(6 878)	(7 925)
Profit for the period	**38 519**	**26 489**
Profit attributable to:		
Non-controlling interests	(1 239)	(619)
Equity holders of the parent	39 758	27 108
Profit for the period	**38 519**	**26 489**
Basic earnings per share in Polish zloty	1.87	1.28
Diluted earnings per share in Polish zloty	1.87	1.28

Interim consolidated statement of comprehensive income for the quarter ended March 31st, 2016

in thousands of Polish zloty	3 months ended March 31st, 2016	3 months ended March 31st, 2015
Net profit	**38 519**	**26 489**
Other comprehensive incomes:		
Exchanges differences on translation of foreign operations	9 399	(4 333)
Net investment hedges	(1 035)	25 506
Income tax concerning net investment hedges	197	(4 846)
Total items that may be reclassified subsequently to profit or loss	8 561	16 327
Other comprehensive income for the period. net of tax	**8 561**	**16 327**
Total comprehensive income for the period	**47 080**	**42 816**
Attributable to:		
Shareholders of the parent	49 838	37 565
Non-controlling interests	(2 758)	5 251

Interim consolidated statement of financial position as at March 31st, 2016 and December 31st 2015

In thousands of Polish zloty	**31.03.2016**	**31.12.2015**
Assets		
Property, plant and equipment	1 060 741	1 060 019
Goodwill	584 480	583 091
Other intangible assets	570 091	574 109
Investment property	22 152	22 152
Investments in associates	816	828
Other non-current assets	52 133	51 801
Deferred tax assets	34 775	33 352
Total non-current assets	**2 325 188**	**2 325 352**
Inventories	59 265	64 346
Trade and other receivables	68 901	92 090
Corporate income tax receivables	8 660	5 458
Other current assets	27 635	44 007
Cash and cash equivalents	321 712	317 871
Total current assets	**486 173**	**523 772**
Total assets	**2 811 361**	**2 849 124**
Equity		
Share capital	714	714
Reserves	680 864	678 306
Retained earnings	504 214	464 456
Translation reserve	(99 529)	(110 447)
Equity attributable to shareholders of the parent	**1 086 263**	**1 033 029**
Non-controlling interests	**68 287**	**71 045**
Total equity	**1 154 550**	**1 104 074**
Liabilities		
Interest-bearing loans and borrowings	1 037 234	1 035 946
Finance lease liabilities	8 049	7 921
Employee benefit liability	26 165	26 677
Provisions	3 484	3 680
Deferred tax liability	90 776	90 492
Other non-current liabilities	14 019	14 901
Total non-current liabilities	**1 179 727**	**1 179 617**
Interest-bearing loans and borrowings	97 007	89 418
Finance lease liabilities	1 532	1 323
Trade and other accounts payable	370 865	461 774
Income tax liabilities	7 680	12 918
Total current liabilities	**477 084**	**565 433**
Total liabilities	**1 656 811**	**1 745 050**
Total equity and liabilities	**2 811 361**	**2 849 124**

Interim consolidated statement of cash flows for quarter ended March 31st, 2016

in thousands of Polish zloty	3 months ended March 31, 2016	3 months ended March 31, 2015
Cash flows from operating activities		
Profit before tax from continued operations	45 397	34 414
Adjustments for:		
Share (profit)/loss of associates	11	(3)
Amortization	7 694	5 399
Depreciation	53 715	46 468
Interest expense, net	8 372	8 477
Unrealized foreign exchange (gain)/loss	340	(750)
(Gain)/loss on disposal of fixed assets	(243)	39
Impairment of property, plant and equipment and intangibles	-	(123)
Equity–settled share based payments expenses	4 349	-
Working capital changes:		
(Increase)/decrease in receivables	23 213	2 039
(Increase)/decrease in inventories	5 270	2 775
(Increase)/decrease in other assets	1 821	(7 976)
Increase/(decrease) in payables and other liabilities	(72 595)	(34 828)
Increase/(decrease) in other provisions and employee benefits	(1 455)	6 073
Income taxes (paid)/returned	(10 707)	3 912
Interest paid	(5 918)	(6 109)
Interest received	463	750
Other	(1 784)	(2 442)
Net cash provided by operating activities	**57 943**	**58 115**
Cash flows from investing activities		
Proceeds related to the acquisition of subsidiaries	14 330	-
Acquisition of property, plant and equipment	(70 873)	(38 575)
Acquisition of intangible assets	(2 424)	(3 515)
Net cash used in investing activities	**(58 967)**	**(42 090)**
Cash flows from financing activities		
Cash flows from financing activities		
Proceeds from loans	4 820	4 928
Expense on acquisition of own shares (employees options)	-	(2 902)
Proceeds from share issuance (employees options)	314	195
Expense on settlement of employee stock option in cash	(349)	-
Proceeds/repayment of finance lease liabilities	328	(183)
Net cash provided by financing activities	**5 113**	**2 038**
Cash flows from financing activities		
Net change in cash and cash equivalents	**4 089**	**18 063**
Effect of foreign exchange rate movements	(248)	2 230
Balance sheet change of cash and cash equivalents	3 841	20 293
Cash and cash equivalents, beginning of period	317 871	257 171
Cash and cash equivalents, end of period	**321 712**	**277 464**

Interim consolidated statement of changes in equity for the 3 months ended March 31st , 2016

		Reserved capital						
in thousands of Polish zloty	Issued capital	Treasury shares	Other reserved capital	Retained Earnings	Cumulative translation adjustments	**Total equity attributable to equity holders of the parent**	Non-controlling interest	**Total Equity**
As at 01.01.2015	**714**	**(4 014)**	**696 638**	**304 420**	**(86 216)**	**911 542**	**64 100**	**975 642**
COMPREHENSIVE INCOME								
Income/(loss) for the period	-	-	-	27 108	-	**27 108**	(619)	**26 489**
Currency translation differences	-	-	-	-	(10 203)	**(10 203)**	5 870	**(4 333)**
Net investment and cash flow hedges valuation	-	-	25 506	-	-	**25 506**	-	**25 506**
Deferred tax related to net investment and cash flow hedges	-	-	(4 846)	-	-	**(4 846)**	-	**(4 846)**
Total Comprehensive Income	**-**	**-**	**20 660**	**27 108**	**(10 203)**	**37 565**	**5 251**	**42 816**
TRANSACTION WITH SHAREHOLDERS								
Net result on treasury shares transactions	-	-	(411)	-	-	**(411)**	-	**(411)**
Purchase of treasury shares	-	(2 523)	-	-	-	**(2 523)**	-	**(2 523)**
Total transactions with equity holders	**-**	**(2 523)**	**(411)**	**-**	**-**	**(2 934)**	**-**	**(2 934)**
As at 31.03.2015	**714**	**(6 537)**	**716 887**	**331 528**	**(96 419)**	**946 173**	**69 351**	**1 015 524**
As at 01.01.2016	**714**	**(21 212)**	**699 518**	**464 456**	**(110 447)**	**1 033 029**	**71 045**	**1 104 073**
COMPREHENSIVE INCOME								
Income/(loss) for the period	-	-	-	39 758	-	**39 758**	(1 239)	**38 519**
Currency translation differences	-	-	-	-	10 918	**10 918**	(1 519)	**9 399**
Net investment hedges valuation	-	-	(1 035)	-	-	**(1 035)**	-	**(1 035)**
Deferred tax related to net investment hedges	-	-	197	-	-	**197**	-	**197**
Total Comprehensive Income	**-**	**-**	**(838)**	**39 758**	**10 918**	**49 838**	**(2 758)**	**47 080**
TRANSACTION WITH SHAREHOLDERS								
Purchase of treasury shares	-	-	-	-	-	**-**	-	**-**
Proceeds from treasury shares	-	843	(843)	-	-	**-**	-	**-**
Employee stock option plan – value of employee services exercised in the period	-	-	(345)	-	-	**(345)**	-	**(345)**
Employee stock option plan – proceeds from employees-value of disposed shares	-	-	314	-	-	**314**	-	**314**
Employee stock option plan – value of unexercised employee benefits	-	-	3 427	-	-	**3 427**	-	**3 427**
Total transactions with equity holders	**-**	**843**	**2 553**	**-**	**-**	**3 396**	**-**	**3 396**
As at 31.03.2016	**714**	**(20 369)**	**701 233**	**504 214**	**(99 529)**	**1 086 263**	**68 287**	**1 154 550**

6. Earnings per Ordinary Share

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

	3 months ended March 31, 2016	**3 months ended March 31, 2015**
Net profit attributable to shareholders of the parent (*in thousands of PLN)*	39 758	27 108
Ordinary shares	21 213 893	21 213 893
Average weighted number of ordinary shares used in calculation of diluted earnings per share	21 213 893	21 213 893
Basic earnings per ordinary share (PLN)	1.87	1.28
Diluted earnings per ordinary share (PLN)	1.87	1.28

On December 1, 2014 expired possibility for AmRest Holdings SE to make capital increases to the amount of EUR 5 thousand of the authorized capital (in accordance with paragraph 4.1 of the Articles of Association of the Company). This right was given by the resolutions of the AGM of shareholders No. 13 as at June 10, 2011. As at March 31, 2015 and 2016, the Company was not possible potential issuance of shares for the settlement of the stock option plans. Settlement of share option plans can be made in the form of own shares acquired from stock exchange or cash.

7. Subsequent events

As at April 19th, 2016 it was signed sale and purchase agreement of 100% shares in StarbucksCoffee Deutschland Ltd& Co. KG by the AmRest Group entities from Starbuck Corporation entities. It is planned to close the transaction by the end of May 22nd, 2016. Expected purchase price consideration is at EU 41m (about PLN 178m). Currently acquired entity operates 144 Starbucks coffee shops. As part of this transaction was signed Area Development and Operation Agreement and Supply Agreement (conditional upon the transaction closing) regarding the rights and license to develop, own and operate Starbucks stores in Germany for the period of 15 years that can be extended for 5 years.

C. Interim Stand-Alone Financial Statements for the quarter ended March 31st, 2016

1. Selected financial information

Selected financial data. including key items of the stand-alone financial statements as at and for 3 months ended on March 31st, 2016 and March 31st, 2015:

	3 months 2016 in thousands PLN	3 months 2015 in thousands PLN	3 months 2016 in thousands EUR	3 months 2015 in thousands EUR
Total sales	-	-	-	-
Profit/(loss) from operations	(151)	(817)	(35)	(200)
Profit before tax	(941)	177	(220)	43
Net profit	(684)	23	(160)	6
Net cash provided by operating activities	1 134	2 841	266	695
Net cash used in investing activities	(1 060)	(369)	(248)	(90)
Net cash provided/ (used in) financing activities	14 449	(2 707)	3 385	(662)
Net cash flow, total	14 523	503	3 402	123
Total assets	1 108 729	1 126 914	259 783	275 596
Total liabilities and provisions	307 225	322 070	71 977	78 765
Long-term liabilities	301 009	317 325	70 520	77 605
Short-term liabilities	6 216	4 745	1 457	1 160
Total equity	801 504	804 844	187 776	196 831
Issued capital	714	714	167	175

No dividends were paid in 2016 and in 2015

Assets and liabilities are translated into the Polish zloty at exchange rates quoted for the balance-sheet date by the National Bank of Poland. Income and expenses are translated at exchange rates approximated to the rates quoted for the date of a given transaction.

The selected financial data were translated into the euro in accordance with the following policies:

- Assets and liabilities – at mid exchange rates quoted by the National Bank of Poland for a given balance-sheet date;
- Items in the income statement – at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given calendar quarter.

Interim stand-alone income statement for the quarter ended March 31st, 2016

in thousands of Polish Zloty	3 months ended March 31, 2016	3 months ended March 31, 2015
General and administrative (G&A) expenses	(1 005)	(2 487)
Impairment loss in value	(204)	(20)
Operating income	1 058	1 690
Profit / (loss) from operations	**(151)**	**(817)**
Finance income	1 839	4 194
Finance costs	(2 629)	(3 200)
Net profit before tax	**(941)**	**177**
Income tax	257	(154)
Net profit for the period	**(684)**	**23**

Interim stand-alone statement of comprehensive income for the quarter ended March 31st, 2016

in thousands of Polish Zloty	3 months ended March 31, 2016	3 months ended March 31, 2015
Net profit	(684)	23
Other comprehensive incomes:	-	-
Other comprehensive incomes net	-	-
Total comprehensive incomes	**(684)**	**23**

Interim stand-alone statement of financial position as of March 31st, 2016 and December 31st, 2015

in thousands of Polish Zloty	31.03.2016	31.12.2015
Assets		
Other Intangible assets	508	551
Investments in subsidiaries	892 711	890 852
Other non-current financial assets	174 200	174 200
Deferred tax assets	135	-
Total non-current assets	**1 067 554**	**1 065 603**
Trade and other receivables	4 126	16 718
Income tax receivables	542	744
Other current assets	144	144
Other current financial assets	7 828	8 019
Cash and cash equivalents	28 535	14 012
Total current assets	**41 175**	**39 637**
Total assets	**1 108 729**	**1 105 240**
Equity		
Issued capital	714	714
Treasury shares	745 563	744 103
Retained earnings	55 227	55 911
Total equity	**801 504**	**800 728**
Liabilities		
Deferred tax liabilities	-	327
Trade and other payables	21 771	21 629
Other non-current financial liabilities	279 238	279 157
Total non-current liabilities	**301 009**	**301 113**
Other current financial liabilities	2 918	-
Trade and other accounts payable	3 298	3 399
Total current liabilities	**6 216**	**3 399**
Total liabilities	**307 225**	**304 512**
Total equity and liabilities	**1 108 729**	**1 105 240**

Interim stand-alone statement of cash flows for 3 months ended March 31st, 2016

in thousands of Polish Zloty

	3 months ended March 31, 2016	3 months ended March 31, 2015
Cash flows from operating activities		
Profit before tax	**(941)**	**177**
Adjustments:		
Amortization	63	40
Interest expense, net	475	(141)
Unrealized foreign exchange (gain)/loss	297	(1 109)
(Increase)/decrease in receivables	(800)	1 209
Change in other current asset	-	(214)
Increase/(decrease) in liabilities	(95)	95
Income tax paid	(2)	-
The result of realized options	(215)	-
Interest received	2 337	2 784
Other	15	-
Net cash provided by operating activities	**1 134**	**2 841**
Cash flows from investing activities		
Proceeds from repayment of intercompany loan	-	16 800
Expense for increasing assets in related parties	(1 034)	(16 313)
Acquisition of fixed assets	(26)	(118)
Net cash used in investing activities	**(1 060)**	**369**
Cash flows from financing activities		
Expense on acquisition of own shares (employees option)	-	(2 902)
Proceeds from share issuance (employees options)	14 449	195
Net cash used in financing activities	**14 449**	**(2 707)**
Total net cash flows	**14 523**	**503**
Net change in cash and cash equivalents	14 523	503
Cash and cash equivalents, beginning of period	14 012	1 964
Cash and cash equivalents, end of period	**28 535**	**2 467**

Interim stand-alone statement of changes in equity for 3 months ended March 31st, 2016

in thousands of Polish Zloty	Issued capital	Own shares	Reserved capital	Retained Earnings	**Total Equity**
As at 01.01.2015	**714**	**(4 014)**	**783 360**	**31 112**	**811 172**
Comprehensive Income					
Income for the period	-	-	-	23	**23**
Total comprehensive Income	**-**	**-**	**-**	**23**	**23**
Transaction with non-controlling shareholders	**-**	**-**	**-**	**-**	**-**
Transaction with shareholders					
Share option scheme for employees - the value of benefits	-	-	(3 417)	-	**(3 417)**
The net result of the shares	-	-	(411)	-	**(411)**
Purchase of own shares	-	379	-	-	**379**
Purchase of own shares	-	(2 902)	-	-	**(2 902)**
Total transaction with shareholders	**-**	**(2 523)**	**(3 828)**	**-**	**(6 351)**
As at 31.03.2015	**714**	**(6 537)**	**779 532**	**31 135**	**804 844**
As at 01.01.2016	**714**	**(21 212)**	**765 315**	**55 911**	**800 728**
Comprehensive Income					
Income for the period	-	-	-	(684)	**(684)**
Total Comprehensive Income	**-**	**-**	**-**	**(684)**	**(684)**
Transaction with non-controlling shareholders	**-**	**-**	**-**	**-**	**-**
Transaction with shareholders					
Change in share option plan for employees	-	-	617	-	**617**
Purchase of own shares	-	843	-	-	**843**
Total transaction with shareholders	**-**	**843**	**617**	**-**	**1 460**
As at 31.03.2016	**714**	**(20 369)**	**765 932**	**55 227**	**801 504**

2. Selected information to the stand-alone financial statements

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and issued by the International Accounting Standards Board. As at March 31st, 2016 there are no differences with regards to policies adopted by the Group and the International Financial Reporting Standards. The accounting policies used in the preparation of the stand-alone financial statements are consistent with those used in the annual financial statements for the year ended December 31st, 2015, except for the new accounting standards adopted as of January 1st, 2016.

The interim financial statements are presented in Polish zloty (PLN) which is the functional currency of AmRest Holdings SE since January 1st, 2009.

3. Investments in subsidiaries

Details of investments in associated companies as at March 31st ,2016 and December 31st, 2015:

Name	March 31st , 2016		December 31st, 2015	
	Share in initial capital	Value of shares	Share in initial capital	Value of shares
AmRest Sp. z o. o.*	100 %	592 589	100 %	591 764
AmRest Acquisition Subsidiary Inc.	100 %	146 954	100 %	146 954
Blue Horizon Hospitality Group PTE Ltd	62.33%	102 811	62.33%	102 811
AmRest FSVC LLC	100 %	2 396	100%	1 362
AmRest s.r.o.	100 %	33 573	100 %	33 573
AmRest HK Limited	100 %	-	100 %	-
AmRest EOOD	100 %	14 388	100 %	14 388
Total	**-**	**892 711**	**-**	**890 852**

* Value of shares in AmRest Sp. z o. o. was increased by the value resulting from the valuation of employee share option scheme (shares were issued to employees of subsidiaries).

Company Representatives Signatures:

Drew O'Malley
AmRest Holdings SE
Management Board Member

Wojciech Mroczyński
AmRest Holdings SE
Management Board Member

Mark Chandler
AmRest Holdings SE
Management Board Member

Jacek Trybuchowski
AmRest Holdings SE
Management Board Member

Oksana Staniszewska
AmRest Holdings SE
Management Board Member

Olgierd Danielewicz
AmRest Holdings SE
Management Board Member

Wroclaw, April 29th, 2016