AmRest Holdings SE Group

Report for the first half of 2012

31 August 2012

Wszystko Jest Możliwe!

AmRest Holdings SE Report for the First Half of 2012

Part I
Directors' Report

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Diagram 1 AmRest Sales Value in the first halves of the years 2010-2012, in PLN'000[1]

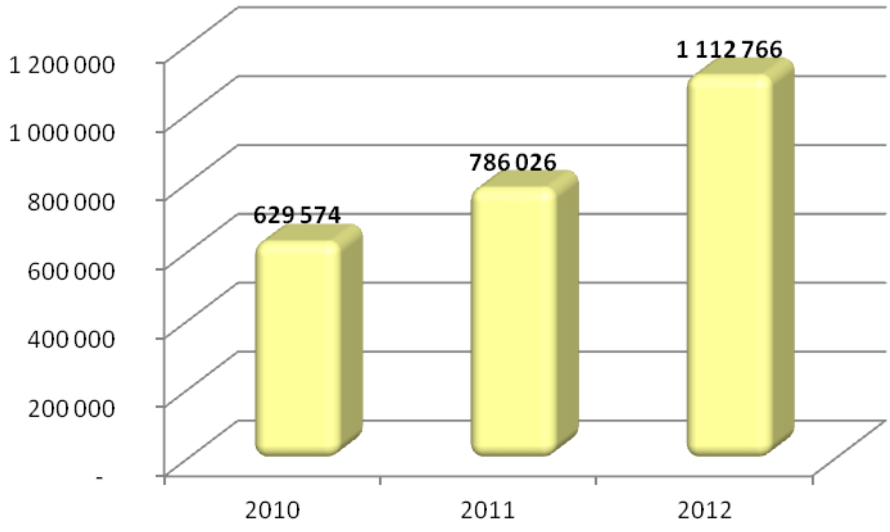
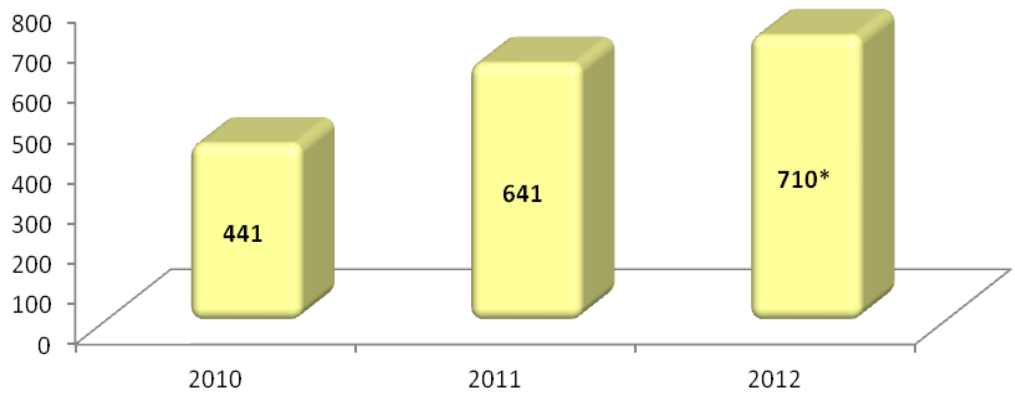


Diagram 2 Number of restaurants as at the end of the first halves of 2010-2012[2]



[1] Excluding the revenues of US restaurants due to the transaction of disposal of AmRest's LLC assets

[2] Including the restaurants operated by the franchisees of La Tagliatella and Applebee's restaurants

Diagram 3 Number of AmRest restaurants broken down by brand[3]

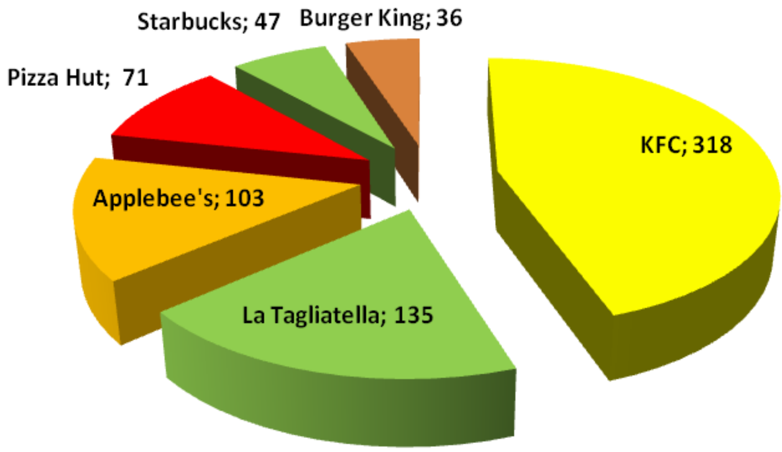
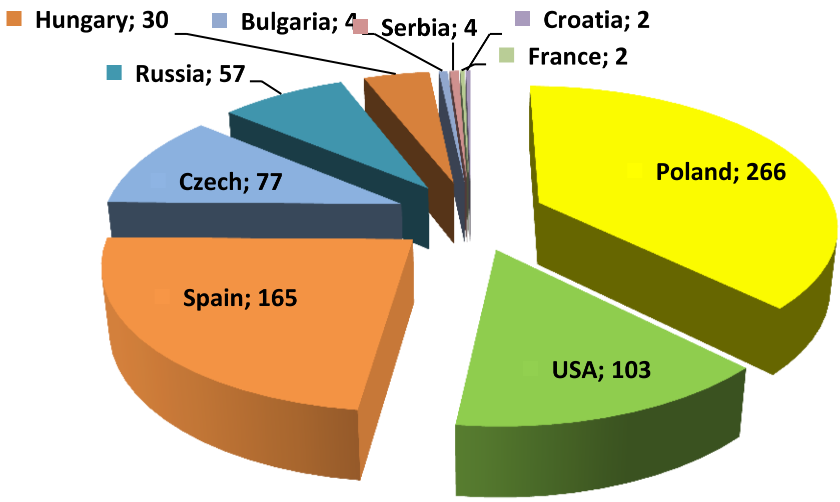


Diagram 4 Number of AmRest restaurants broken down by country[4]



[3] Including the restaurants operated by the franchisees of La Tagliatella and Applebee's restaurants
[4] As above

2. Description of the Company

2.1 Basic services provided by the Group

AmRest Holdings SE ("AmRest") manages 5 restaurant brands in 9 European countries.[5] According to our corporate culture "Everything is possible!" (Wszystko Jest Możliwe!), every day 15 thousand AmRest employees deliver excellent flavours and an unrivalled value for money service.

As of 31st of August 2012 AmRest operates 719 restaurants in two restaurant sectors: Quick Service Restaurants (QSR) – KFC, Burger King and Starbucks, and Casual Dining Restaurants (CDR) – La Tagliatella and Pizza Hut.

AmRest restaurants provide on-site catering services, take away services, drive-in services in special sales points and telephone deliveries. The AmRest restaurant menus offer quality dishes prepared from fresh products in accordance with the original recipes and according to KFC, Pizza Hut, Burger King, Starbucks and La Tagliatella chain standards.

AmRest is the franchisee of Yum! Brands Inc. in respect of KFC and Pizza Hut brands. Burger King restaurants also operate on a franchise basis in accordance with the agreement concluded with Burger King Europe GmbH. Starbucks restaurants are opened by joint-venture companies AmRest Coffee (82% AmRest and 18% Starbucks), which have the rights and licences to develop and manage Starbucks restaurants in Poland, the Czech Republic and Hungary. La Tagliatella brand is the private label of AmRest which became part of the portfolio in April 2011. La Tagliatella restaurants are run both by AmRest and by entities to which the Company leases rights to run restaurants on a franchise basis.

2.1.1 Restaurants in the Quick Service Restaurants (QSR) segment

KFC since its founding by Colonel Harland Sanders in 1952, the brand has been serving customers delicious, already prepared complete family meals at affordable prices. There are over 15,000 KFC outlets in 105 countries and territories around the world.

2012 is another year in which KFC is continuing to build its dominant position in Central and Eastern Europe. This strategy is based on building new restaurants in cities from which the brand has been absent to-date, saturating cities in which KFC already has restaurants, penetrating transit routes and systematically increasing sales in the existing KFC restaurants. In the current year the Group plans to open a number of new outlets comparable to the prior years.

[5] The Company also runs 102 Applebee's restaurants on the USA market; however, in connection with the asset sales transaction by AmRest LLC to Apple American Group II, LLC, described in RB 16/2012, the financial results of AmRest LLC will be presented in the Company's financial statements as discontinued activities as of the Interim Financial Statements for 2012.

During the first six months of the year a record number of guests visited KFC restaurants. During that period the B-Smart offer (with the excellent wings offer), and the offer of individual boxes ensuring an attractive meal at a competitive price - unique on the European markets - were most popular.

Innovations in the grilled chicken category implemented in 2011 were reflected in the current year in varieties of one of the flagship KFC products – the Twister.

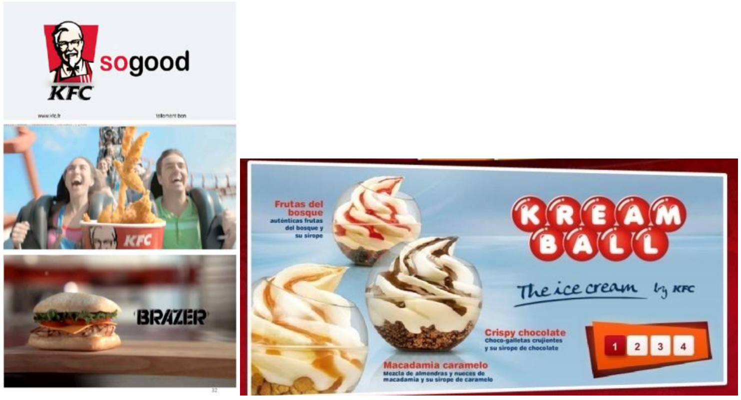
The "Lean" program should be singled out from among the operating initiatives, as it systematically contributes to improving the effectiveness of the restaurants' operations by increasing all the employees' commitment in eliminating actions and expenditure that do not increase customer satisfaction. This program met with wide acceptance and openness in restaurants, and contributed to improving the speed of service in KFC and to reducing operating expenses.

In June 2012 KFC was awarded the "Superbrand" award as the only restaurant chain operating in Poland.

In 2012 KFC restaurants in Poland continue the "efficient in AmRest" initiative related to employing handicapped people and supporting the Corporate Social Responsibility Foundation which helped finance over 5 million warm meals to the most disadvantaged children in north-western Poland. Szczecin boasts the first KFC restaurant in Central Europe where most of the serving staff are people who are hard of hearing.

In the first half of the year 3 KFC stores were open in Russia, including two new Russian cities Nizhny Novgorod and Kazan. In the reminder of the year 7 more restaurants are planned to open in Russia.

In the first half of 2012, Spanish KFC restaurants achieved better results than the whole restaurant market in the country. During the first half of the year, positive sales dynamics were noted in comparable restaurants, with the average for the period exceeding 2%.



As of 31st August 2012 AmRest operates 322 KFC restaurants. 157 in Poland, 57 in Czech, 47 in Russia, 32 in Spain, 21 in Hungary, 4 in Serbia, 2 in Bulgaria and 2 in Croatia

BURGER KING®, established in 1954, is the second largest global fast food chain offering hamburgers. The original HOME OF THE WHOPPER®, BURGER KING® operates over 12,300 restaurants which serve meals to 11 million customers per day in 76 countries throughout the world. About 90% of BURGER KING® restaurants are managed by independent franchisees, many of which are family businesses which have been operating for decades.

Working on brand awareness the broad range of marketing initiatives activities are being performed. The main focus is Value offer which allows more customers to enjoy BK's burgers for the first time. In addition the number of outlets is being increased, although in a very selective manner. New stores are being built only in top class locations like presented below new store in Reda, Poland.

In coming months Burger King brand will concentrate on building sales and increasing the rate of return. This will be achieved by increased expenditure on marketing activities focused on emphasizing the competitive advantage of the brand (size, taste). A revision of, and changes to the product offer are also planned to reduce the effect of the increases in beef prices and to generally improve the level of the brand’s margins. In consequence, the price panels in restaurants will obtain a new commercial opening.

AmRest runs 37 Burger King restaurants – 28 in Poland, 7 in the Czech Republic and 2 in Bulgaria.

Starbucks global is the leading coffeehouse in the world with over 17,000 stores. Starbucks sells brewed coffee, espresso-based hot drinks, snacks, coffee beans, and retail merchandise. The store designs provide a unique experience rooted to the coffee heritage and reflects the surrounding neighborhood. AmRest Coffee (a Joint Venture between Starbucks Coffee International and AmRest Holdings) currently operates Starbucks stores in Poland, Czech Republic, and Hungary.

The coffeehouse market is one of the most dynamic sectors of the economy and has been experiencing rapid growth in recent years. Starbucks is looking forward to becoming a part of the local communities everywhere we open. Expectations of coffee consumers are growing constantly and AmRest considers it a great opportunity that we can offer the Starbucks experience (exceptional atmosphere and unique experience) as well as excellent Starbucks coffee.

March 14th marked a New Day for Starbucks in the EMEA region as it was the day that we demonstrated to the world our Espresso Perfection. All baristas were trained on the method of Latte Art which enhances the presentation and taste of each espresso based beverage. The New Day casted 5 promises that Starbucks commits to deliver every time which includes promising that only perfect shots go into the drink, perfection through leading innovation, never settle for good enough, each customers espresso will not only taste great but will do good too, and Starbucks promises that the customers coffee will be perfect. In Autumn, Starbucks is building on that momentum by introducing a new core beverage known as the Ristretto Bianco, dedicated to creating additional options for our customers that show our coffee expertise, beverage quality skills, and advanced latte art.


In the first half of 2012, AmRest Coffee continued to develop Starbucks introducing new store types and expanding into further cities in Poland and Czech Republic. In August, AmRest Coffee opened the 50th Starbucks in Central Europe expanding into two additional cities, Katowice and Ostrava. Customers are able to further enjoy the convenience and elegance of Starbucks through a few new store types. AmRest Coffee introduced the first Starbucks Drive-Thru in Central Europe located in Wroclaw, Poland, the first Reserve Store which offers an Exotic/Exquisite/Rare line of coffee in a unique store design, and additionally opened stores in Warsaw and Poznan PKP for the busy travelers.

AmRest Coffee operates 50 stores – 29 in Poland, 14 in Czech Republic, and 7 in Hungary. Development focus will continue in existing markets in Poland, Czech Republic, and Hungary.

In May Starbucks promoted the returning favorite Personalized Frappuccino which enables customization and variety. Personalized Frappuccino is a key contributor to Starbucks beverage business and has been extremely popular this summer. New refreshing flavors have been offered to expand the product line give additional customers the option to refresh themselves. The expanded line drives average ticket, customer frequency, and increases trial among new potential customers.

In coming months, AmRest will continue development of Starbucks brand.

2.1.2 Restaurants in the Casual Dining Restaurants (CDR) segment

La Tagliatella

La Tagliatella is the fastest developing Italian restaurant brand in Spain. The brand’s success results mainly from the excellent quality of the food and care taken in the detail and décor of each restaurant. The constant very high quality of the food is guaranteed by a centralized kitchen thanks to which identically prepared dishes may be found in each of the restaurants.

The decided majority of dish components prepared in the centralized kitchen are purchased in Italy. They are used to prepare dishes according to original recipes from the Liguria, Piemonte and LaRegio Emilia regions.

Care for the unusual décor of the facilities and the high quality of the dishes provided in connection with the simplicity of preparing the meals in the restaurant enables the guests to be provided with the type of service available at luxury restaurants (Fine Dining) for the prices of Casual Dining restaurants and at a speed equivalent to the QSR segment.

La Tagliatella restaurants are very popular among franchisees. The first franchise restaurant was opened in 2004. There are currently 91 of them.

Currently we observe a slowdown in the Spanish market. La Tagliatella, which in 2008 – 2011 coped much better than its competitors, systematically increasing its market share both thanks to the increase in sales in existing restaurants and its robust growth, is currently experiencing a drop in sales in comparable restaurants. In the past six months, comparable sales in La Tagliatella restaurants dropped by more than 5%. It should be noted that thanks to the new openings, the sales generated by La Tagliatella is more than 15% higher than in the prior year, and the newly-opened restaurants noted record sales levels. In the first half of 2012, 17 La Tagliatella restaurants were opened, six of which are franchise restaurants.

The management board of La Tagliatella is very optimistic about the international potential for the brand's development. There is no concept globally which would offer food at similar prices and quality. An extremely experienced management team was appointed in each of the countries in which we will be developing our operations. Despite the fact that creating restaurants on new markets often proved to be more difficult than expected, currently La Tagliatella has a portfolio of 13 restaurants which will be opened in the coming months on markets which are new for the brand – in the USA, China, Germany and India.

Currently there are 37 La Tagliatella restaurants, 134 in Spain and three in France.

Pizza Hut is one of the largest casual dining restaurant chains in Europe. Inspired by the Mediterranean cuisine, it promotes the idea of sharing great food with family and friends. In Poland, the brand is renowned for its professional service, the quality of its products as well as hospitality and relaxed atmosphere created by its young, professional team. It is also the biggest brand in the Polish casual dining segment in terms of sales and the number of transactions. Pizza Hut's strong position is the effect of a consistently implemented "Pizza and much more!" strategy which consists in extending the brand's offer by adding new categories such as pastas, salads, desserts and starters, in order to gain new customers while retaining the position of a leader and "pizza expert".
In the first half of the year, the company focused primarily on activities relating to the pizza category, which resulted in good sales and strengthened the brand's leadership in

that category. Our “Crown Crust” pizza is an excellent example of bold innovations that

have had a huge impact on the market. Its large size and unique shape with a distinctive finish of the crust filled with two kinds of cheese was the perfect answer to the needs of families as well as more demanding and less price-sensitive customers. Younger customers, who have a relatively smaller budget and expect a good price offer, are a very important group for us. Pizza Hut’s customers are already familiar with the “Pizza Festival” value offer based on the “pay once and eat all you want” mechanism.

Since the beginning of the year, the Company has also continued to reinforce the lunch category through consistent promoting of the “15 x 15” offer (a lunch set at the price of PLN 15 with a guarantee of serving within 15 minutes). These activities have helped to develop a new business segment and improve the use of restaurant resources outside of the traditionally strong evenings and weekends. The lunch offer currently includes a wide range of products including pizzas, pastas, soups, beverages and desserts.

One of the key elements of the strategy aimed at attracting new groups of customers and consistently increasing the average bill is the development of the category of starters. In April, consumers had the opportunity to try new products introduced to the menu, doubling the share of this category in the sales mix.

The Pizza Hut team is enhancing its operating processes relating to the quality of service, suggestive selling and local marketing. Earlier efforts for the so-called “Internal hospitality” have resulted in high employee morale, decreasing turnover, more effective recruitment and internal promotion.
Pizza Hut AmRest currently has 72 restaurants: 59 in Poland, 11 in Russia and 2 in Hungary. The second half of the year will see the opening of new restaurants in Rzeszów, significant relocations in Szczecin and Warsaw, and thorough refurbishments in continuation of the renovation scheme for subsequent restaurants across Poland.

3. Supplier chain

In the first half of 2012, the costs of food and the packaging of most AmRest brands were at a much lower level than inflation, due to constant modernizing the production lines for the key products and an appropriately structured purchase portfolio.

In the coming months the inflationary pressures on food prices are expected due to lower crops of corn in the USA and grains in Russia. The price increases are expected to be temporary. In result of the long term contract with suppliers which are to expire in the end of the year AmRest should not be affected.

Key tasks for the coming months:

- Developing a logistics strategy in Europe
- Increasing the effectiveness of chicken production in the Czech Republic and in Poland
- Selecting a tortilla supplier for the next period
- Selecting the soft drinks supplier for 2013-2018
- Monitoring raw material prices on the market and taking decisions enabling AmRest to achieve a competitive edge on the market

List of the largest AmRest suppliers:

- EuroCash distributor in Poland
- Dachser distributor in the Czech Republic
- Sygma - North Carolina distributor in the USA
- Drobimex supplier of chicken products in Poland
- RBD Distribution Co Ltd Distributor in Russia
- Vodnanska drubez supplier of chicken products in the Czech Republic
- Roldrob supplier of chicken products in Poland
- Konspol supplier of chicken products in Poland

4. Management and Supervisory Bodies of the Company

Management Board

Wojciech Mroczyński

Mark Chandler

Drew O’Malley

Supervisory Board

Henry McGovern - Chairman

Per Steen Breimyr

Raimondo Eggink

Robert Feuer

Jacek Kseń

Joseph P. Landy

Jan Sykora

5. Information material to the assessment of the human resources, asset, financial position or the results of the Company

5.1. Key changes in employment

In the reported period there were no significant changes in employment.

5.2. Financial position of the Company

Table 1 Basic financial data of AmRest (first halves of 2012-2010)

in PLN thousand, unless otherwise stated	30-Jun-12	30-Jun-11	30-Jun-10
Sales revenue	1 112 766	786 026	629 574
Operating profit before amortization and depreciation (PLN'000 EBITDA)	140 766	93 591	70 803
Operating margin before amortization and depreciation (EBITDA margin)	12,7%	11,9%	11,2%
Operating profit (loss) (PLN'000)	53 404	34 161	29 329
Operating margin (EBIT margin)	4,8%	4,3%	4,7%
Profit (loss) before tax (PLN'000)	16 231	17 921	22 942
Gross margin	1,5%	2,3%	3,6%
Net profit (loss) (PLN'000) attributable to AmRest shareholders	18 616	18 459	15 434
Net margin	1,7%	2,3%	2,5%
Equity	1 025 566	849 391	769 056
Return on equity (ROE)	4,0%	4,6%	8,1%
Total assets	2 624 856	2 283 588	1 555 272
Return on assets (ROA)	1,5%	1,9%	3,6%

Definitions:

- Operating margin after amortization and depreciation – operating profit before amortization and depreciation (EBITDA) to sales;
- Operating margin – operating profit to sales;
- Gross margin – profit before tax to sales;
- Net profitability – net profit to sales;
- Return on equity (ROE) – net profit to average equity;
- Return on assets (ROA) – net profit to average assets.

Table 2 Liquidity analysis (in the years 2012-2010)

in PLN thousand, unless otherwise stated	**30-Jun-12**	**31-Dec-11**	**30-Jun-11**
Current assets	543 088	291 558	263 490
Inventories	37 186	40 770	32 137
Short-term liabilities	344 456	396 942	278 135
Quick ratio	1,5	0,7	0,8
Current ratio	1,6	0,8	0,9
Cash and cash equivalents	147 274	143 960	140 614
Cash ratio	0,4	0,4	0,5
Inventory turnover (in days)	6,4	8,5	6,2
Trade and other receivables	54 185	84 923	60 826
Trade receivables turnover (in days)	11,4	16,9	12,3
Operating ratio (cycle) (in days)	17,8	25,4	23,0
Trade and other payables	222 261	312 748	264 778
Trade payables turnover (in days)	42,9	64,2	68,3
Cash conversion ratio (in days)	-25,1	-39,0	-45,2

Definitions:

- Quick ratio – current assets net of inventories to current liabilities;
- Current ratio – current assets to current liabilities;
- Cash ratio – cash and cash equivalents to current liabilities at the end of the period;
- Inventories turnover ratio (in days) – average inventories to sales multiplied by the number of days in the period;
- Receivables turnover ratio (in days) – average trade receivables to sales multiplied by the number of days in the period;
- Operating ratio (cycle) (in days) – total of inventories turnover and receivables turnover;
- Payables turnover ratio (in days) – ratio of average trade payables to sales multiplied by the number of days in the period;
- Cash conversion ratio – difference between the operating ratio (cycle) and the payables turnover ratio.

Table 3 Gearing analysis (in the years 2012-2011)

in PLN thousand, unless otherwise stated	30-Jun-12	31-Dec-11	30-Jun-11
Current assets	543 088	291 558	263 490
Non-current assets	2 081 768	2 350 938	2 020 098
Trade and other receivables	54 185	84 923	60 826
Liabilities	344 456	396 942	278 135
Long-term liabilities	874 452	838 946	819 927
Debt	948 919	916 902	830 755
Share of inventories in current assets (%)	6,8%	14,0%	12,2%
Share of trade receivables in current assets (%)	10,0%	29,1%	23,1%
Share of cash and cash equivalents in current assets (%)	27,1%	49,4%	53,4%
Fixed assets to equity ratio	0,5	0,4	0,4
Gearing	0,6	0,6	0,6
Long-term gearing ratio	0,9	0,8	1,0
Liabilities to equity ratio	1,6	1,6	1,7

Definitions:

- Debt – total long-term and short-term loans and borrowings
- Share of inventories, trade receivables, cash and cash equivalents in current assets – ratio of, respectively, inventories, trade receivables and cash and cash equivalents to current assets
- Equity to fixed assets ratio – equity to fixed assets;
- Gearing – total liabilities and provisions to total assets;
- Long-term gearing – long-term liabilities to total assets;
- Liabilities to equity – liabilities and provisions as at the end of a given period to the value of equity.

In connection with the asset sale transaction by AmRest LLC to Apple American Group II, LLC, as described in RB 16/2012, the financial results of AmRest LLC will be presented in the Company’s financial statements in discontinued activities as of these reporting period.

SALES

Sales of the AmRest Group in the first half of 2012 amounted to PLN 1 113 million. This constituted an almost 42% increase compared with the same period of 2011.

Sales in the second quarter of 2012 amounted to PLN 568 million, this represents a 27% increase compared with the prior year. In local currencies, sales in the second quarter increased by ca. 24%.

Sales generated in the first half of the year by La Tagliatella restaurant and the Spanish KFC amounted to PLN 258 million compared with PLN 74 million in the first half of 2011. The large increase results mainly from the incomplete, 2-month consolidation of the acquired businesses in the prior year. In the second quarter, sales of the West European restaurants amounted to PLN 129 million and grew by 74% from PLN 74 million in the prior year. Sales in euros increased by ca. 63%.

Despite the period of negative sales dynamics in comparable restaurants (one-digit drops), the revenues of Spanish restaurants are growing dynamically. The increase in sales revenues results from their organic expansion and winning shares in the market by La Tagliatella restaurants. It should be noted that the extremely selective approach to new locations has the effect of excellent results in the newly-opened restaurants which, despite the slowing down in the sector, very often see historically record sales levels.

Analysis of other markets shows the maintained high sales' dynamics in Russian restaurants, which revenues increased by almost 50% in the prior year to PLN 147 million. The revenues in the CEE increased by 15% to PLN 708 million.

In the second quarter of 2012, revenues on the Russian market increased to PLN 80 million which is a 52% growth, and revenues of the restaurants in the CEE region amounted to PLN 359 million, increasing by over 12% compared with the prior year. The sales' dynamics generated on both markets amounted to 18%. In local currencies, the revenues of the Russian division and the CEE division increased by ca. 16%.

The very high dynamics of revenues generated on the Russian market largely result from the extremely high growth in sales in comparable restaurants, which amounted to ca. 20% in the first half of the year; an additional factor which had a positive impact on sales on the Russian market was the opening of 7 new restaurants.

The increase in sales generated in CEE was caused by the dynamic rate of new openings (68 new restaurants) and positive selling trends in comparative restaurants, which oscillate at around 3-5%.

PROFITABILITY

The EBITDA margin of the AmRest Group in the first half of 2012 increased to 12.7% from 11.9% in the same period of 2011. Consolidation of the Spanish restaurants, which earned an EBITDA margin of 18.6% in the audited period, also had a positive impact on the Company's margin.

In the second quarter of 2012, the EBITDA margin amounted to 12.4% compared with 12.6% in the prior year.

Despite the weaker results in comparable restaurants, as referred to above, the unique business model of La Tagliatella, based on three profit-generating sources, ensured a stable EBITDA margin at a level of 20%. Due to the Western European Division being charged with the development costs of the La Tagliatella brand on the new markets (China, India, Germany), the EBITDA margin generated by all restaurants of the division amounted to 18.6% for the second quarter of 2012. Development costs on the new markets amounted to about PLN 1.3 million compared with PLN 1.6 million in the first quarter.

Despite the strong, nearly 30% nominal increase in profit at the EBITDA level, the restaurants operating on the Russian market noted a drop in their margin both in the second quarter and over the whole six months. This is the result of the high level of openings in the region, and thus the related costs, being higher than in the prior year. In the first six months of the year, the EBITDA margin amounted to 12.2%.

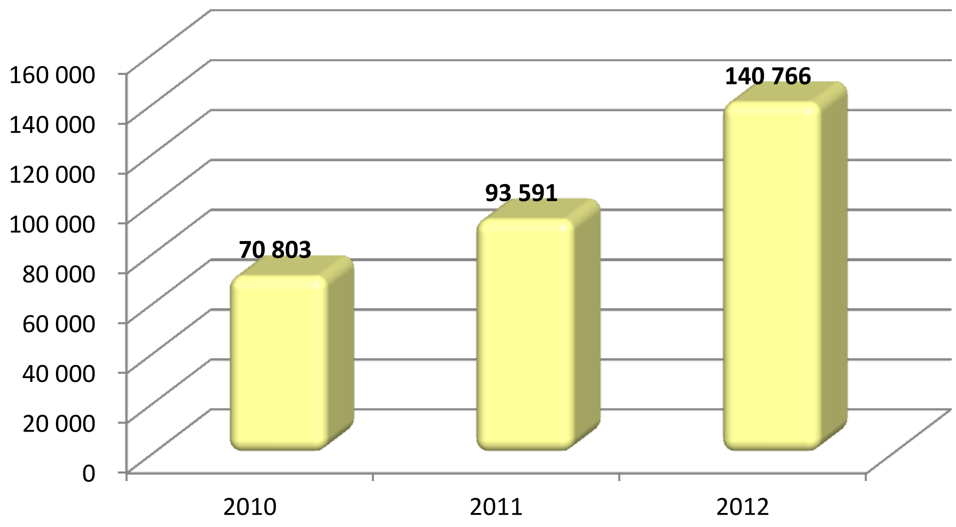
The margin generated in the first half of the year on the CEE markets remained at a level comparable to the prior year's, and amounted to 10.9%. In the second quarter, the margin amounted to 10.4% compared with 10.5% in the prior year.

In the second quarter of 2012, KFC margins on the Polish and Czech markets improved significantly. The main reason for the increase in the margins in Poland was improved cost-effectiveness of the new openings. Improvement in the margin in the Czech Republic results from stricter expense discipline in the so-called semi-variable costs (media, packaging), and a drop in food prices compared with the prior year.

Despite the excellent results of KFC, the quick pace of growth of the SBUX brand on the Polish and Czech market led to the margins in the CEE division being similar to the prior year.

One-off costs of openings of new restaurants (employee training, rent and other administrative fees payable before opening the restaurants). related to the dynamic organic development of the Group, have a negative impact on the margins generated by the AmRest. After eliminating these one-off costs, in the first half of 2012, the EBITDA margin amounted to 13.6% compared with 12.9% in the prior year. In the second quarter of 2012 it amounted to 13.5% compared with 13.6% in the same period of 2011.

Diagram 5 EBITDA in the first half of the years 2010–2012 (in PLN'000)



The EBIT margin in the first half of 2012 increased to 4.8% compared with 4.3% in the prior year.

Table 6 Revenues and margins generated on particular markets in the first halves of 2012 and 2011

	H1 2012	Margin	H1 2011	Margin	Dynamics
Sales	**1 112 766**		**786 026**		***41,6%***
Poland	*492 406*		*419 847*		*17,3%*
Czech Republic	*158 578*		*149 374*		*6,2%*
Other CEE	*56 542*		*44 153*		*28,1%*
CEE	**707 526**		**613 374**		***15,3%***
Russia	**147 201**		**98 624**		***49,3%***
Western Europe	**258 039**		**74 028**		***248,6%***
EBITDA	**140 766**	***12,7%***	**93 591**	***11,9%***	***50,4%***
EBITDA [*]	**151 345**	**13,6%**	**101 707**	**12,9%**	**48,8%**
Poland	*54 782*	*11,1%*	*52 279*	*12,5%*	*48,8%*
Czech Republic	*21 234*	*13,4%*	*16 220*	*10,9%*	*30,9%*
Other CEE	*899*	*1,6%*	*-691*	*-1,6%*	*-230,1%*
CEE	***76 915***	**10,9%**	***67 808***	***11,1%***	***13,4%***
Russia	**18 159**	***12,3%***	**13 890**	***14,1%***	***30,7%***
Western Europe	**46 949**	***18,2%***	**15 627**	***21,1%***	***200,4%***
Not allocated	**-1 257**	**-**	**-3 734**	**-**	***-66,3%***
EBIT	**53 404**	***4,8%***	**34 161**	***4,3%***	**56,3%**
Poland	*17 628*	*3,5%*	*23 437*	*5,6%*	*-24,8%*
Czech Republic	*4 572*	*2,9%*	*1 557*	*1,0%*	*193,6%*
Other CEE	*-3 590*	*-6,3%*	*-5 282*	*-12,0%*	*-32,0%*
Total CEE	***18 610***	***2,6%***	***19 712***	**3,2%**	**-5,6%**
Russia	***8 534***	**5,7%**	***7 809***	**7,9%**	**9,3%**
Western Europe	**27 517**	***11,1%***	**10 374**	***14,0%***	**165,2%**
Not allocated	**-1 257**	**-**	**-3 734**	**-**	**-66,3%**

*Profit at EBITDA level plus one-off costs of new openings.

NET PROFIT

As a result of the decision on changing the allocation of the acquisition price of the Spanish business, adjustments were made to the financial costs incurred by the Company related to the settlement of the put option. As of the second quarter of 2011 it was decided to charge the amount evenly to the Company's financial result, contrary to the earlier approach, whereby all the costs for 2011 were incurred in the last quarter.

Additionally, the development plans and expectations as to the financial results of Restauravia were also reviewed. As a result of adopting more conservative assumptions, the amount of financial costs resulting from the settlement of the put option in 2011 was reduced to PLN 15.5 million from the PLN 21.7 million which had previously been recorded. As a result, the net profit attributable to the AmRest shareholders in 2011 increased to PLN 54.7 million, from the PLN 48.5 million previously communicated.

The amount of the charge for the first quarter of 2012 also changed to PLN 2.3 million from PLN 3.4 million, improving the net profit for AmRest shareholders to PLN 12.6 million from PLN 11.5 million.

The net result for AmRest shareholders in the first half of 2012 amounted to PLN 18.6 million compared with PLN 18.5 million in the same period of the previous year. In the second quarter an improvement in net profit was noted, to PLN 5.6 million compared with PLN 5.0 million in the prior year.

LIQUDITY RATIOS

In connection with the decision to sell the American business and classify the assets of that business as held for sale, the value of AmRest's current assets increased significantly and materially improved the quick and current liquidity ratios.

The drop in the value of inventories and trade receivables compared with the sales generated by the Company led to an improvement in the inventory and receivables turnover ratios, which contributed to shortening the Company's operating cycle to 18 days.

At the same time, AmRest's trade payables increased less than the Company's sales, thus shortening the payables turnover to 43 days. It should be emphasized that the drop in the payables turnover ratio results from the number of openings being lower than in the prior year and not from changes in payment terms in respect of deliveries made to the restaurants.

In effect of shortening the operating cycle and the payables turnover period, the cash conversion ratio dropped to 25 days.

The above ratios are at levels ensuring seamless operation and their relatively low level is related to the specific nature of the restaurant industry. The generation of excess cash on a current basis allows efficient servicing of the existing debt and financing the planned investment expenditure.

Equity increased to PLN 1 026 million from PLN 1 013 million as at the end of 2011. Gearing rates are at levels similar to those noted at the end of 2011.

5.3. Description of key domestic and foreign investments

The table below presents purchases of non-current assets as at 30 June 2012 and as at 30 June 2011.

Table 7 Purchases of non-current assets in AmRest Holdings SE (first halves of 2012-2011)

Value in PLN'000	30 June 2012	30 June 2011
Intangible assets, including:		
Trademarks	-	257 868
Non-onerous lease agreements	240	4 535
Licences for the use of Pizza Hut and KFC trademarks	4 446	5 071
Goodwill	-	373 991
Other intangible assets	5 668	206 400
Fixed assets, including:		
Land	11	3 162
Buildings	55 284	126 391
Equipment	48 527	64 790
Vehicles	357	728
Other (in consideration of fixed assets under construction)	27 152	51 137
Total	154 960	1 083 568

The investment expenditure incurred by AmRest relates mainly to the construction of new restaurants and the reconstruction and replacement of the value of non-current assets in the existing restaurants.
The Company's investment expenditure depends mainly on the number and type of restaurants opened.

In 2012 investments were financed mainly with cash flows from operating activities.

Table 8 Number of AmRest restaurants

Country	Brand	8-31-2012	12-31-2011	2010-12-31	2009-12-31
Poland		**272**	**256**	**206**	**188**
	KFC	157	150	121	110
	BK	28	27	19	17
	SBX	29	21	9	3
	PH	58	58	57	58
Czech Republic		**78**	**73**	**75**	**67**
	KFC	57	56	58	55
	BK	7	5	5	2
	SBX	14	12	12	10
Hungary		**30**	**29**	**21**	**22**
	KFC	21	21	16	17
	SBX	7	6	3	
	PH	**2**	2	2	5
Russia		58	**55**	**50**	**51**
	KFC	47	44	39	37
	PH	**11**	11	11	14
Bulgaria		4	**5**	**5**	**4**
	KFC	2	2	2	2
	BK	**2**	3	3	2
Serbia		4	**4**	**3**	**2**
	KFC	**4**	4		
Croatia		2	**1**		
	KFC	2	1		
USA		**102**	**103**	**103**	**103**
	AB	102	103		
Spain		166	**152**		
	TAGE	46	35		
	TAGF	88	85		
	KFC	32	32		
France		3	**2**		
	TAGF	3	2		
AmRest		**719**	**680**	**463**	**437**

As at 31 August 2012 AmRest operated 719 restaurants, including 137 La Tagliatella restaurants, of which 91 were managed by franchisees. Compared with 31 December 2011, the Company operates 39 new restaurants of which 22 are new openings in Central and Eastern Europe, 11 are openings in Western Europe, and 6 are new openings run by franchisees.

Table 9 New AmRest restaurants

	AmRest's own restaurants	AmRest's franchise restaurants	Total
31.12.2011	593	87	680
New openings	38	6	44
Closings	3	2	5
31.08.2012	628	91	719

5.4. Other information

On 7.06.2012 the Management Board of AmRest informed of signing an asset sale and purchase agreement ("Agreement") by and between AmRest, LLC ("the Seller"), a company wholly-owned by AmRest, and Apple American Group II, LLC ("the Purchaser"), and AmRest. The parties' intention is to finalize the transaction by 24 September 2012 ("Finalization").

As a result of the Agreement, 98 out of 102 Applebee's restaurants managed by the Seller ("Restaurants") will be sold for USD 100 million ("Selling Price"). This amount is 6.5 times ("the Multiplier"), of the EBITDA generated by the sold restaurants over the 12 months ended 29 April 2012 assessed at USD 15.1 million, plus the estimated amount of inventories of USD 1.9 million. In accordance with the Agreement, three of the four restaurants not covered by the Agreement will remain under the management of the Seller, and one restaurant will be closed.

On August 10, 2012 were signed the appendix to the sale of Applebee's brand assets agreement. According to it number of Applebee's restaurant increases from 98 to 99 (from 102 managed by the Group).

The parties agreed that should the EBITDA generated by the Restaurants be lower than 14.8 or higher than 15.1 million US dollars, the Selling Price would be appropriately adjusted by the difference of the product of EBITDA and the Multiplier increased by the value of the inventories and the Selling Price.

Finalization of the Agreement depends on meeting additional conditions, and specifically on the consent of the Company's Supervisory Board, the consent of Applebee's International, the consent of the American Anti-Trust Institute, the consent of the banks with which AmRest has concluded a loan agreement and the consents required under the lease agreements to which the Seller is party.

AmRest acquired the Restaurants as a result of purchase agreements ("the Investment") of shares in Grove Ownership Holding, LLC by AmRest for USD 62.7 million. The Company expects the return on the Investment to exceed the Company's assumptions relating to the internal rate of return on the investment (IRR) of 20%.

On July 10, 2012 based on Loan Agreement annex and Waiver Letter, AmRest received the approval from the Lenders under the Loan Agreement, for the sale of Applebee's brand restaurant to Apple American Group (note 6 of the Consolidated Semiannual Financial Statements 2012). Banks received the waiver fee for signing the letter. The approval is conditioned to amending the shareholders agreement signed with AmRest TAG S.L. by removing put option till December 31, 2012. Management believes that it will satisfy this condition.

On February 18, 2011 Wojciech Mroczyński signed sabbatical agreement with AmRest sp. z o.o. According to the agreement, the remuneration for sabbatical leave period from March 1, 2011 to February 29, 2012 will be offset with bonus payable for first 3 years between 2012, 2013 and 2014. In the event of Wojciech Mroczynski voluntarily leaving the Company or being terminated for cause during the period between March 1, 2012 and February 28, 2018 he will reimburse the Company the unamortized portion of sabbatical remuneration net of income taxes and other statutory charges withheld from the remuneration received for the Sabbatical period pro-rata based on the amortization period mentioned above, referred to as net sabbatical remuneration. Wojciech Mroczyński was re-appointed as a Management Board Member of the Company on March 31, 2012. As at June 30, 2012 the balance of net sabbatical remuneration is PLN 410 thousand.

6. Planned investment activities and assessment of their feasibility

AmRest has been continuing its dynamic expansion for many years by developing its core business and investing in new sources of growth.
The main growth trigger in the core business is opening new locations, and an increase in sales of already existing restaurants. By constantly searching for new sources of growth in the form of new markets and brands, the Company continues to expand its growth base. One of the material sources for expanding the base is acquisitions. The growth strategy, based on two pillars, will be continued in the future.

The priority in core operations will be further penetration of the market by continuing the dynamic pace of opening new restaurants. The structure of new openings will largely reflect the existing restaurant portfolio where the KFC and La Tagliatella brands dominate. The key criterion for shaping the structure of openings and acquisitions will be the improved return on investments (ROIC) and building a strong base for developing the Company in the long term. The geographic structure of the investments will focus on the so-called emerging markets, which are characterized by high growth dynamics and low level of penetration in the catering industry.

A significant element of AmRest's investment activities will be the global development of the La Tagliatella private label. Currently, the Company is in the course of preparing test openings for more than ten La Tagliatella restaurants in total on four promising new markets, i.e. China, India, Germany and the USA. Taking into consideration the very attractive business model of the La Tagliatella brand, both from the perspective of the customer and return on investments, the potential success of the brand on the new markets could open up significant possibilities for development and building value for shareholders. The first test openings are expected on all four markets in the second half of the current year. The financial model of the La Tagliatella brand proved to be successful on the very difficult and exacting Spanish market, where the development of the chain will be continued.
Apart from the investment criteria referred to above, the Company will adapt its plan and the possibility of acquiring new, attractive locations in particular countries to market conditions on a current basis.

To improve ROIC, apart from the actions aimed at optimizing the business portfolio, AmRest plans to implement a plan for reducing the costs of new openings. The plan will be based on more effective management of the investment process and reducing the costs of particular components. Currently, the average cost of a new restaurant is PLN 2.8 million and depends on the type and place of the location.

In accordance with the investment time schedule, the Company also plans to continue the program for modernizing existing locations. The total expected amount of investment in the current year will amount to PLN 350 million, of which PLN 300 million will relate to new openings and PLN 50 million to modernizations. The above amounts do not include any potential acquisition activities.

Similarly to the prior years, the AmRest investment program will be financed both from own sources and with debt. Sales of restaurant assets relating to Applebee's business in the USA will be a potential future additional source of finance.

The goal of the Company is to continue its dynamic growth at a level of at least 20% a year and achieving EBITDA profit growth dynamics exceeding the growth of sales.

7. External and internal factors material for the Company's development in 2012

In the opinion of AmRest's Management Board, the factors which have a significant impact on the Company's future development and future results comprise:

7.1.External factors

- competitiveness – in terms of price, quality of service, location and quality of the food;
- demographic changes, trends in respect of the number of people using the restaurants and the type and number, as well as location of competitors' restaurants;
- changes in the law and regulations with a direct impact on the operation of the restaurants and the people employed there;
- change in the rental costs of the real estate and related costs;
- change in the prices of the foodstuffs used to prepare meals and changes in the prices of packaging materials;
- changes in the overall economic condition of Poland, Czech Republic, Hungary, Bulgaria, Russia, Serbia, Spain, France and the United States, consumer confidence, amount of disposable income and individual methods of spending money;
- changes in legal and tax conditions;
- negative changes on the financial markets.

7.2 Internal factors

- acquiring and preparing human resources necessary to develop the existing and new restaurant networks;
- acquiring attractive locations;
- effective implementation of new restaurant chains and products;
- building an integrated IT system.

8. Basic risks and threats to which the Company is exposed

The Management Board of AmRest is responsible for the risk management system and internal control system as well as for the system of reviewing said systems in terms of their operating effectiveness. The systems help identify and manage the risks that could prevent AmRest from realizing its long-term goals. Nevertheless, the existence of the systems does not allow for 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 outside the Company's control

The risk is related to the impacts of factors outside the Company's control on AmRest's development strategy, which bases on opening new restaurants. The factors include: possibility of finding and ensuring available and appropriate restaurant locations, possibility of obtaining the permits required by the appropriate authorities on time, possibility of delays in opening the new restaurants.

b) Dependence on the franchiser

AmRest manages KFC, Pizza Hut, Burger King and Applebee's restaurants as a franchisee, therefore, many factors and decisions in the course of the operations conducted by AmRest depends on the restrictions or specifications enforced by the franchisers, or on their consent.

The terms of the franchise agreements relating to KFC, Pizza Hut and Burger King is 10 years. AmRest is entitled to an option to extend this period by a further 10 years, on condition that it meets the terms and conditions concluded in the franchise agreements and other requirements, including making an appropriate payment in respect of extending the term of the agreement. The term of the franchise agreements relating to the Applebee's brand is 20 years, with the option to extend it by a further 20 years – on similar conditions as in respect of the remaining AmRest brands.

Irrespective of meeting the above terms and conditions, there is no guarantee that after the end of the term, the franchise agreement will be extended for a further period. In respect of KFC and Pizza Hut restaurants, the first period began in 2000, in respect of Burger King restaurants, the first period began in 2007 with the opening of the brand's first restaurant. In respect of some of Applebee's restaurants, the first period began in 2000. In respect of the remaining Applebee's restaurants, the first period began in 2008.

c) Dependency on joint venture partners

AmRest will open Starbucks restaurants by establishing Joint Venture Companies in Poland, the Czech Republic and Hungary on partnership terms, under joint venture agreements. Therefore, some decisions under jointly run operations will depend on the partners' consent.

The JV Agreements with Starbucks were concluded for a period of 15 years, with the option to extend them for a further 5 years after meeting specific terms and conditions. In the event that AmRest does not meet the obligation relating to opening and operating a minimum number of cafés, Starbucks Coffee International, Inc. will have the right to increase its share in the Joint Venture Companies by repurchasing the shares in AmRest Polska at a price agreed by the parties based on a valuation of the Joint Venture Companies.

d) Lack of exclusivity

Franchise agreements relating to operating KFC, Pizza Hut, Burger King and Applebee's restaurants do not include provisions on awarding AmRest any exclusivity clauses in a given territory, protection or any other rights on the premises, area, or market surrounding AmRest restaurants. In practice, however, in connection with the scale of AmRest's operations (among other things, an extensive distribution network), the possibility of a competitive operator appearing (in respect of the brands currently operated by the Company), which could effectively compete with AmRest Group restaurants is relatively limited.

With respect to Starbucks, joint venture companies will be the only entities entitled to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusivity rights to some of the institutional locations.

e) Rental agreements and their extension

Almost all AmRest restaurants operate in rented facilities. Most of the rental agreements are long-term, and usually they are concluded for a period of at least 10 years from the date of inception of the rental (on condition that all extension options are exercised, on specified terms and conditions, and without accounting for agreements which are periodically renewed, if they are not terminated with notice, and agreements for an unspecified period). Many rental agreements grant AmRest the right to extend the term of the agreement on condition that the Company abides by the terms and conditions of the rentals. Irrespective of the need to meet the terms and conditions, there is no guarantee that AmRest will be able to extend the periods of the rental agreements on terms and conditions satisfactory from the point of view of commercial practices. If there is no such possibility, the potential loss of significant restaurant locations may have an unfavourable impact on the operating results of AmRest and on its activities.

Moreover, in some circumstances, AmRest may take the decision to close a given restaurant and the termination of the respective rental agreement on cost-effective terms may prove impossible. Such situation may also have a negative impact on the Company's operations and operating results. The closure of any restaurant depends on the franchiser's consent, and it is uncertain whether such consent would be obtained.

In respect of the Russian restaurants acquired by AmRest in July 2007, the average rental period is relatively shorter compared with AmRest restaurants in other countries. This results from the specific nature of the market.

f) Risk related to consumption of food products

Consumer preferences may change in connection with the doubts arising as to the nutritional value of chicken, which is the main component of the KFC menu, or as a result of unfavourable information proliferated by the mass media relating to the quality of the products, the diseases they cause and the damage incurred as a result of using AmRest restaurants and the restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks and Applebee's, and as a result of disclosing unfavourable data by the government or a given market sector relating to products served in AmRest restaurants and at other KFC, Pizza Hut, Burger King, Starbucks and Applebee's franchisees', health issues and issues relating to the manner of functioning of one or a larger number of restaurants operated by AmRest, and its competitors. The risk referred to above is limited by using the highest quality components in AmRest restaurants – from checked and renowned suppliers, abiding by stringent quality and hygiene standards and applying state of the art equipment and processes enabling total safety of the food.

g) Risk related to maintaining key employees

The Issuer's success largely depends on the individual efforts of a selected group of employees and members of the core management. The remuneration and human resource management methods developed by the Issuer enable low key employee turnover. Additionally, the career planning system supports successors who are prepared to complete the tasks in key positions. In the Issuer's opinion, it is prepared to replace the key employees. Irrespective of the above, the loss of key employees may have an unfavourable impact on the operations and financial results of the Issuer in the short term.

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

Conducting catering activities on a scale at which the Issuer conducts it, requires significant numbers of professional staff. An excessive outflow of employees and too frequent changes in staff may constitute a material risk factor for the stability and quality of the conducted operations. Due to the fact that remuneration in Poland, the Czech Republic and Hungary (including in the catering industry) is still significantly lower than in other EU countries, there is a risk of outflow of qualified staff, and thus a risk of the Issuer being unable to ensure the appropriate staff necessary to provide the highest quality catering services. To avoid the risk of losing qualified staff, it may be necessary to gradually increase remuneration rates, which may have a negative impact on the Issuer's financial condition.

i) Risk relating to the limited availability of foodstuffs and fluctuations in their costs

The need to ensure frequent deliveries of fresh agricultural products and foodstuffs, and the expectations and reactions to changes in the costs of supplies, also have an impact on the Issuer's position. The Company cannot eliminate the risk related to insufficient or interrupted supplies caused by factors such as unfavourable weather conditions, changes in legal regulations or withdrawing some foodstuffs from trading. Also the increase in demand for specific products – if the supply remains unchanged – could lead to difficulties in their acquisition by the Company or an increase in their prices. Both deficiencies, and the increase in the prices of product groups, could have a negative impact on the results, operations and financial position of the Group. To minimize – among other things – this risk, AmRest Sp. z o.o. concluded an agreement with SCM Sp. z o.o. relating to the provision of services consisting of intermediation and negotiation of provisions of the distribution agreements.

j) Risk related to the development of new brands

Amrest has been operating the Burger King, Starbucks and Applebee's brands for only a short time. As these are new concepts for AmRest, there is a risk related to a demand for the products offered and their acceptance by consumers.

k) Risk related to opening restaurants in new countries

Openings or acquisitions of restaurants operating on a new geographical and political territory are connected with the risk of different consumer preferences, the risk of a lack of good knowledge of the market, the risk of legal restrictions resulting from local regulations and political country risk.

l) Foreign exchange risk

AmRest results are prone to currency risk related to transactions in currencies other than the currency in which the business operations are measured and respective conversions in particular Group companies.

m) Risk of increased financial costs

The Issuer and its subsidiaries are exposed to a significant negative impact of interest rate fluctuations in connection with acquiring finance bearing a variable interest rate and investing in assets bearing variable and fixed interest rates. Bank loans and borrowings and bonds issued bear variable reference rates updated over periods shorter than one year. Interest on financial assets bearing fixed interest rates is fixed throughout the period to maturity of those instruments. Additionally, the Issuer and its subsidiaries may – as part of the interest rate risk hedging strategy – conclude derivative and other financial contracts on the valuation of which the reference interest rates have a large impact.

n) Risk of slowdown in the economies

The slowdown in the economies of Central and Eastern Europe and the United States of America may have an impact on expenditure on consumption on those markets which, in turn, may impact the results of AmRest restaurants operating on those markets.

o) Risk of seasonality of sales

The seasonality of sales and inventories of the AmRest Group is not significant, which is typical of the whole restaurant industry. On Central and East European markets, restaurants have lower sales in the first half of the year mainly due to the lesser number of days of sale in February and less frequent customers' visits to restaurants. The United States market is characterized by higher sales in the first half of the year compared to the second half. After a period of lower sales in the summer months, and a slight revival related to the Christmas season, the first half of the year is a period of increased activity in connection with the use of holiday vouchers, promotional coupons and the large number of holidays.

p) Risk of breakdown of the computer system and temporary suspension of servicing customers by the chain restaurants

The potential loss, partial or total, of data related to a computer system breakdown or damage to or loss of the Company's key tangible fixed assets could lead to temporary suspension in the on-going service provided to restaurant customers, which in turn could have a negative impact on the Group's results. To minimize this risk the Issuer introduced appropriate procedures aimed at ensuring stability and reliability of the IT systems.

9. Correctness and fairness of the presented financial statements

The Management Board of AmRest Holdings SE hereby represents that to its best knowledge, the semi-annual financial statements and the comparative figures presented in the condensed consolidated semi-annual financial statements of the AmRest Group have been prepared in accordance with the binding accounting policies and that they give a true and fair view of the financial position of the AmRest Group and its results. The semi-annual Directors' Report included in this document reflects the true achievements and development of the AmRest Group, including its basic risks and threats.

9.1. Appointment of the registered audit company

The registered audit company – PricewaterhouseCoopers Sp. z o.o., which performed the review of the semi-annual condensed consolidated financial statements of the AmRest Group, was appointed in accordance with the legal regulations. The registered audit company and the registered auditors performing the audit met the requirements for issuing an unbiased and independent opinion from the review, in accordance with the respective regulations.

Mark Chandler

AmRest Holdings SE

Board Member

Wojciech Mroczyński

AmRest Holdings SE

Board Member

Drew O'Malley

AmRest Holdings SE

Board Member

Wrocław, 31 August 2012

1. **The position of the AmRest Holdings SE Management Board concerning the possibility of crystallization of previously published forecasts concerning the results for the year**

The Company did not publish forecasts of its financial results.

2. **Shareholders holding at least 5% of the general number of votes at the General Shareholders' Meeting of AmRest Holdings SE as at the date of the report**

According to the information in the Company's possession, as at the date of submitting the quarterly report, on 31 August 2012, the following shareholders gave information on having directly or indirectly (via subsidiaries) at least 5% of the total number of votes at the General Shareholders' Meeting of AmRest:

Shareholders with more than 5% of votes at the AGM of AmRest

Shareholders	**Number of shares**	**Share in capital**	**Number of voting rights at the GSM**	**Share at the GSM**
WP Holdings	6 997 853	32.99%	6 997 853	32.99%
BZ WBK AM*	1 912 174	9.01%	1 912 174	9.01%
ING OFE	4 100 000	19.33%	4 100 000	19.33%
Henry McGovern **	682 338	3.22%	682 338	3.22%
AVIVA OFE	1 600 000	7.54%	1 600 000	7.54%
PZU PTE	1 547 402	7.29%	1 547 402	7.29%
Free float	4 374 126	20.62%	4 374 126	20.62%

* BZ WBK AM manages assets which include, among other things, funds belonging to BZ WBK TFI
** shares held directly by Henry McGovern and his wholly-owned subsidiaries, i.e. IRI and MPI

3. Changes in the shareholding structure

In the period since the last periodical report was published (report for the first quarter of 2012 published on 14 May 2012), the Company communicated the following changes in ownership structure:

The Management Board of AmRest informed that on 19 June 2012 it received a notification from a person with access to AmRest confidential data on the purchase transaction of 1,200 AmRest shares at an average price of PLN 70.29 concluded on 11 June 2012. The transactions were accounted for in the quotations on the Warsaw Stock Exchange.

The Management Board of AmRest informed that on 22 June 2012 it received a notification from a person with access to AmRest confidential data on the purchase transaction of 1,500 AmRest shares at an average price of PLN 71.97 concluded on 14 June 2012. The transactions were accounted for in the quotations on the Warsaw Stock Exchange.

On 26 June 2012 the Management Board of AmRest informed of having received a notification from a person with access to AmRest confidential information of the following: concluding a purchase transaction of 100 AmRest shares at an average price of PLN 72.00 on 18 June 2012, concluding a purchase transaction of 71 AmRest shares at an average price of PLN 73.56 on 19 June 2012, concluding a purchase transaction of 29 AmRest shares at an average price of PLN 75.00 on 20 June 2012, concluding a purchase transaction of 1,000 AmRest shares at an average price of PLN 78.05 on 21 June2012. The transactions were accounted for in the quotations of the Warsaw Stock Exchange.

The Management Board of AmRest informed that on 30 July 2012 it was notified by Henry McGovern, Chairman of the Supervisory Board of AmRest, that a company controlled by him, International Restaurant Investments, LLC ("IRI"), with its registered office in the State of Virginia, USA, discharged its liability resulting from the prepaid forward contract and call option concluded on 8 July 2008 by and between IRI and KEB Investments, LLC ("KEB"), with its registered office in the State of Nevada, USA (details relating to the transaction were published in current reports dated 3 July 2007 - RB 34/2007 and 8 July 2008 - RB 55/2008), by transferring the ownership of 800 428 of the Company's shares to KEB. The total amount of compensation for the said shares was determined on 8 July 2008 at USD 31 181 483. The transaction was concluded on the regulated OTC market.

As a result of transferring ownership of the shares, Henry McGovern's interest (direct and indirect) in the Company dropped to 682 338 shares, which constitutes 3.22% of the Company's share capital and entitles to 682 338 votes, i.e. 3.22% of the total number of votes at the Company's General Shareholders' Meeting.

Before the transaction, Henry McGovern held up to 1 482 766 shares, which constituted 6.99% of the Company's share capital and entitled to 1 482 766 votes, i.e. 6.99% of the total number of votes at the Company's General Shareholders' Meeting.

Henry McGovern has access to the Company's confidential information.

Henry McGovern holds the Company's shares directly and through the entities he controls, i.e. Metropolitan Properties International Sp. z o.o. and IRI.

The Management Board of AmRest informed of receiving information from the shareholder BZ WBK Asset Management ("WBK") that as a result of the sale of shares on 8 August 2012, WBK clients became holders of 1 012 927 shares which is 4.77% of AmRest's share capital and entitles to 1 012 927 votes at the Company's General Shareholders' Meeting, i.e. 4.77% of the total number of votes.

Before the transaction WBK customers held 1 158 927 shares, which constituted 5.46% of AmRest's share capital and entitled to 1 158 927 votes at the General Shareholders' Meeting of AmRest, i.e. 5.46% of the total number of votes.

The Management Board of AmRest informed of receiving information from the shareholder BZ WBK TFI, acting on behalf of Arka BZ WBK FIO, Arka BZ WBK Akcji Środkowej i Wschodniej Europy FIZ, Arka Prestiż Specjalistycznego FIO and Credit Agricole FIO ("the Funds") that as a result of the sale of shares on 7 August 2012 the Funds became holders of 899 247 shares, which is 4.24% of AmRest's share capital and entitles to 899 247 votes at the Company's General Shareholders' Meeting, i.e. 4.24% of the total number of votes.

Before the transaction the Funds held 1 060 695 shares, which constituted 5.000002% of AmRest's share capital and entitled to 1 060 695 votes at the General Shareholders' Meeting of AmRest, i.e. 5.000002% of the total number of votes.

The Management Board of AmRest informed of receiving information from the shareholder PZU PTE, acting on behalf of OFE PZU "Złota Jesień" and Dobrowolny Fundusz Emerytalny PZU ("the Funds") that as a result of the sale of shares on 7 August 2012, the Funds became holders of 1 547 402 shares, which is 7.29% of AmRest's share capital and entitles to 1 547 402 votes at the Company's General Shareholders' Meeting, i.e. 7.29% of the total number of votes.

Before the transaction the Funds held 1 047 246 shares, which constituted 4.94% of AmRest's share capital and entitled to 1 047 246 votes at the General Shareholders' Meeting of AmRest, i.e. 4.94% of the total number of votes.

3.1 Other information on shareholdings

The Management Board of AmRest does not have any information relating to holders of securities which give special control rights in respect of the Company.

3.2 The change in the number of shares held or respective rights to the shares held by members of the Company's management and supervisory bodies.

Management Board members remuneration of Holding company payable forfor period of 6 months ending June 30, 2012 year

	Period of being at board for period of 6 months ending June 30, 2012 year	Salaries	Anual bonus, other rewards	Earnings from subsidiaries and associates	Benefits, other earnings	Total earnings in for period of 6 months ending June 30, 2012 year
Management Board members at June 30, 2012 r.						
Wojciech Mroczyński	1.03 - 30.06.12	0	0	283 579	5 118	288 697
Mark Chandler	1.01 - 30.06.12	0	0	556 640	0	556 640
Drew O'Malley	1.01 - 30.06.12	0	0	420 000	12 304	432 304
other Management Board members						
Piotr Boliński	10.1 - 1.03.2012	0	0	61 440	1 759	63 199
Total		**0**	**0**	**1 321 659**	**19 181**	**1 340 840**

Superviosry Board remuneration for period of 6 months ending June 30, 2012 r.

	Period being Supervisory Board member for period of 6 months ending June 30, 2012 r.	Remuneration for the period of being Supervisory Board member	Earnings from other contracts	Other benefits	Total earnings in for period of 6 months ending June 30, 2012 year	Comment
Raimondo Eggink	1.01 - 30.06.12	42 000	0	0	42 000	
Robert Feuer	1.01 - 30.06.12	0	0	0	0	Voluntary resignation from remuneration
Jacek Wojciech Kseń	1.01 - 30.06.12	42 000	0	0	42 000	
Joseph P. Landy	1.01 - 30.06.12	0	0	0	0	Voluntary resignation from remuneration
Henry McGovern	1.01 - 30.06.12	0	654 870	0	654 870	Voluntary resignation from remuneration
Per Steen Breimyr	1.01 - 30.06.12	42 000	0	0	42 000	
Jan Sykora	1.01 - 30.06.12	24 000	0	0	24 000	
Total		**150 000**	**654 870**	**0**	**804 870**	

	Period of being at board for period of 6 months ending June 30, 2012 year	Function	Number of options as at December 31, 2012	Number of options granted for period of 6 months ending June 30, 2012	Number of executedfor period of 6 months ending June 30, 2012	Number of options as at June 30, 2012	Fair value of all options as at granting date (PLN thousands)
Henry McGovern	1.01 - 30.06.12	Chairman of Superviosry Board	301 000	0	0	301 000	5 895
Wojciech Mroczyński	1.03 - 30.06.12	Member of Menagement Board	105 250	0	0	105 250	668*
Mark Chandler	1.01 - 30.06.12	Member of Menagement Board	97 000	0	0	97 000	2 282
Drew O'Malley	1.01 - 30.06.12	Member of Menagement Board	118 500	0	0	118 500	2 592

** Do not include fair value of options granted in 2012 - during valuation.*

4 Information on significant proceedings related to AmRest Holdings SE or other Group companies

As at the date of submitting the financial statements no proceedings are in progress against the Company.

5 Composition of the Group

The current composition of the AmRest Group is presented in Part V of the Report for the First Half of 2011.

The Group's offices are in Wrocław, Poland. Currently, the restaurants operated by the Group are located in Poland, the Czech Republic, Hungary, Russia, Serbia, Bulgaria, Croatia, the USA, Spain and France.

6 Loans and Borrowings within the Group

On 16 April 2012 AmRest Sp. z o.o. signed a sales agreement with AmRest Capital Zrt. in respect of the loans granted to Spanish companies (AmRest TAG S.L.U., Restauravia Food S.L.U., Pastificio Service S.L.U.).

The schedule of all loans granted to related entities is as follows:

a) AmRest Holdings SE

Borrower	Loan currency	in PLN'000 Value of loans granted as per the agreements *	Value of loans as at 30/06/ 2011**
AmRest s.r.o.		25 431	28 542
AmRest Sp. z o.o.		350 000	203 200

* translated at the NBP rate prevailing on 30/06/2012

** including interest accrued until 30/06/2012

b) AmRest Sp. z o.o.

Borrower	Loan currency	in PLN'000 Value of loans granted as per the agreements *	Value of loans as at 30/06/ 2011**
AmRest EOOD	PLN	12 000	12 597
AmRest Ukraina t.o.w.	USD	352***	392***
AmRest Kft	PLN	12 300	7 080
OOO AmRest	USD	1 193	14
AmRest TAG S.L.U.	EUR	203 349	578
Pastificio Service S.L.U.	EUR	158 861	451
Restauravia Food S.L.U	EUR	42 613	121

* translated at the NBP rate prevailing on 30/06/2012

** including interest accrued until 30/06/2012

*** the loan was fully written down

c) AmRest Kft

Borrower	Loan currency	in PLN'000 Value of loans granted as per the agreements *	Value of loans as at 30/06/ 2011**
OOO AmRest	RUB	32 959	52 835

* translated at the NBP rate prevailing on 30/06/2012

** including interest accrued until 30/06/2012

d) Restauravia Food S.L.U.

Borrower	Loan currency	in PLN'000 Value of loans granted as per the agreements *	Value of loans as at 30/06/2011**
AmRest Holdings SE	EUR	42 613	2 263

* translated at the NBP rate prevailing on 30/06/2012

** including interest accrued until 30/06/2012

e) AmRest LLC

Borrower	Loan currency	in PLN'000 Value of loans granted as per the agreements *	Value of loans as at 30/06/2011**
AmRest Sp. z o.o.	USD	7 875	8 216
AmRest Sp. z o.o.	USD	6 777	6 875

* translated at the NBP rate prevailing on 30/06/2012

** including interest accrued until 30/06/2012

f) AmRest Capital ZRT

Borrower	Loan currency	in PLN'000 Value of loans granted as per the agreements *	Value of loans as at 30/06/2011**
AmRest Holdings SE	EUR	24 245	24 558
AmRest TAG S.L.U.	EUR	206 565	202 991
Pastificio Service S.L.U.	EUR	150 455	146 235
Restauravia Food S.L.U	EUR	29 897	29 007

* translated at the NBP rate prevailing on 30/06/2012

** including interest accrued until 30/06/2012

7 Information on issues, redemption and repayment of debt securities

Since the publication of the report for 1Q 2012, AmRest has not issued, repaid or redeemed any debt securities.

8 Transactions with related entities concluded by the Company or its subsidiaries on terms other than on an arm's length basis

8.1 Agreements with related entities

On 3 March, 13 April and 25 June 2012 the capital of the subsidiary Amrest HK Limited was increased. The capital of AmRest HK was increased by a total of USD 1 500 000 in the form of a cash contribution made by AmRest Holdings SE. After registering the change, the share capital of AmRest HK Limited is USD 1 800 000.

On 19 March 2012, AmRest Sp. z o.o. signed a loan agreement with AmRest Holdings SE for EUR 5 689 531. The loan is repayable by 20 September 2016.

On 17 April 2012, the Management Board of AmRest informed of signing an assignment and offset agreement on 16 April 2012 concluded by and between AmRest Sp. z o.o. (a subsidiary wholly-owned by AmRest Holdings SE) and AmRest Capital Zrt with its registered office in Budapest, Hungary, whose sole shareholder is AmRest Sp. z o.o.

The subject matter of the assignment agreements is the transfer of rights to receivables in respect of loans granted by AmRest Sp. z o.o. by AmRest Sp. z o.o. to AmRest Capital Zrt; the rights relate to the following entities which are members of the AmRest Group: AmRest TAG S.L.U., Pastificio Service S.L.U., Restauravia Food S.L.U. and AmRest Holdings SE ("Assignment Agreements"). The total amount of assigned receivables was specified in the Assignment Agreements in the amount of EUR 93 757 569.46.

At the same time, on 16 April 2012 AmRest Sp. z o.o., as the sole shareholder of AmRest Capital Zrt, passed a resolution in which it committed to increasing the reserves of AmRest Capital Zrt by EUR 93 757 569.46 and EUR 10 000. After registering the change the share capital of AmRest Capital Zrt is EUR 93 817 569.46.

The subject matter of the offset agreement to which AmRest Sp. z o.o. is entitled in respect of AmRest Capital Zrt is to offset the payment of the fee specified in the Assignment Agreements against the receivables of AmRest Capital Zrt in respect of AmRest Sp. z o.o. in connection with passing the above-mentioned resolution relating to the increase in the reserves of AmRest Capital Zrt.

The conclusion of the above-mentioned agreements is related to improving the efficiency of managing cash flows between the companies which are members of the AmRest Group.

On 24 April 2012, the capital of Amrest's subsidiary – AmRest Adria D.O.O. – was increased. The capital of AmRest Adria D.O.O. was increased by a total of HRK 4 200 000 in the form of a cash contribution made by AmRest Sp. z o.o. After registering the change, the share capital is HRK 8 220 000.

On 18 May 2012, AmRest decided to increase the capital of its subsidiary AmRest Coffee Sp. z o.o. The capital of AmRest Coffee Sp. z o.o. was increased by a total of PLN 15 000 000 in the form of a cash contribution made by AmRest Sp. z o.o. and

Starbucks Coffee International Inc. After registering the change, the share capital of AmRest Coffee Sp. z o.o. amounts to PLN 76 565 000.

On 31 May 2012, AmRest informed of an increase in the capital of its subsidiary AmRest KFT ("AmRest Hungary"). The capital of AmRest Hungary was increased by a total of HUF 422 080 000 in the form of a cash contribution made by AmRest Sp. z o.o. After registering the change, the share capital of AmRest Hungary is HUF 7 275 150 000.

On 21 June 2012, AmRest decided to increase the capital of its subsidiary AmRest Kavezo Kft ("AmRest Coffee Hungary"). The capital of AmRest Coffee Hungary was increased by a total of HUF 70 000 000 in the form of a cash contribution made by AmRest Sp. z o.o. and Starbucks Coffee International Inc. After registering the change, the share capital of AmRest Hungary amounts to HUF 1 353 000 000. After the change the shareholding structure remains unchanged. AmRest Sp. z o.o. - 82%, Starbucks Coffee International Inc - 18%.

In accordance with the annex to the loan agreement dated 4 November 2011 concluded by and between Amrest Sp. z o.o. (the lender) and AmRest EOOD (the borrower), on 27 June 2012, the amount of the loan was increased by BGN 1 608 825.56 (which is PLN 3 500 000). The initial debt of AmRest EOOD increased to PLN 15 500 000, under the limit granted of PLN 16 000 000.

9 Information on dividend paid

In the period covered by these financial statements, the Group paid dividend to the SCM Sp. z o.o. and SCM s.r.o. minority shareholder of PLN 432 thousand.

10 The consolidated interim income statement should be analyzed including the notes which constitute an integral part of the condensed consolidated financial statements for the first half of 2012.

Table - Consolidated income statement for the 3 months ended 30 June 2012

in PLN'000	For the 3 months ended 30 June 2012	For the 3 months ended 30 June 2011
Revenue from restaurant operations	530 852	422 154
Revenue from franchise operations and other revenues	37 023	24 563
Total revenues	567 875	446 717
Direct costs of restaurant operations:		
Costs of food	(174 915)	(140 317)
Costs of wages and salaries, and employee benefits	(115 543)	(87 273)
Licence fee costs (franchise fees)	(28 692)	(23 873)
Lease costs and other operating expenses	(170 696)	(129 443)
Total costs of franchise operations and other costs	(19 137)	(14 638)
Administrative expenses	(35 058)	(28 123)
Gains/(losses) on sale of non-financial non-current assets and assets held for sale	(304)	(742)
Impairment of assets	(4 026)	(1 876)
Other operating income	5 226	2 577
Total operating expenses and costs	(543 145)	(423 708)
Operating profit	24 730	23 009
EBITDA	70 379	56 073
Financial costs	(19 228)	(13 816)
Financial income	1 454	605
Share in profits/ (losses) of associates	(6)	(1)
Profit before tax	6 950	9 797
Income tax expense	620	(2 875)
Net profit/(loss) on continued operations	7 570	6 922
Profit on discontinued operations	2 995	852
Net profit	10 565	7 774

	CEE	USA	Western Europe	Russia	Not allocated	Total
Q2 2012						
Revenue	359 106	-	128 812	79 957	-	567 875
Operating profit – segment results	5 367	-	16 308	4 513	(1 289)	24 899
Financial income	-	-	-	-	-	1 454
Financial costs	-	-	-	-	-	(19 228)
Share in profits of associates (Note 30)	(6)	-	-	-	-	(6)
Income tax expense	(2 694)	-	4 615	(1 174)	(127)	620
Deferred income tax assets	4 407	275	(830)	174	269	4 295
Net profit/(loss) on continued operations	-	-	-	-	-	7 570
Net profit/(Loss) on discontinued operations	-	-	-	-	-	2 995
Total net profit/(loss)	-	-	-	-	-	10 734
Segment assets	817 328	307 603	1 138 569	283 733	76 988	2 624 221
Investments in associates	346	-	-	-	-	346
Total assets	817 674	307 603	1 138 569	283 733	76 988	2 624 567
including goodwill	26 113	-	401 712	146 237	0	574 062
Segment liabilities	156 626	49 499	260 436	19 517	1 112 061	1 598 139
Depreciation	25 446	-	7 379	5 232	-	38 057
Amortization	2 164	-	1 289	113	-	3 566
Capital expenditure	38 215	12 315	33 044	10 799	-	94 373
Impairment write-down of non-current assets	4 083	0	0	0	-	4 083
Impairment write-down of trade receivables	(37)	0	140	(160)	-	(57)
Write-downs of inventories	0	0	0	0	-	0
Impairment write-down of the other assets	0	0	0	0	-	0

	CEE	USA	Western Europe	Russia	Not allocated	Total
Q2 2011						
Revenue	320 041	0	74 028	52 648	0	446 717
Operating profit – segment results	7 871	0	11 558	5 950	(2 370)	23 009
Financial income	-	0	-	-	-	605
Financial costs	-	0	-	-	-	(13 816)
Share in profits of associates (Note 30)	(1)	0	0	0	0	(1)
Income tax expense	0	0	0	0	0	(2 875)
Net profit/(loss) on continued operations	0	0	0	0	0	6 922
Net profit/(Loss) on discontinued operations	0	0	0	0	0	852
Total net profit/(loss)	0	0	0	0	0	7 774
Segment assets	721 803	254 476	1 004 611	234 458	58 752	2 274 100
Investments in associates	116	0	-	0	0	116
Total assets	721 919	254 476	1 004 611	234 458	58 752	2 274 216
including goodwill	26 325	121 212	331 960	140 132	0	619 629
Segment liabilities	136 792	49 451	239 596	15 862	981 931	1 423 632
Depreciation	21 698	0	3 662	3 298	0	28 658
Amortization	2 051	0	407	72	0	2 530
Capital expenditure	52 764	7 780	596 472	9 983	0	666 999
Impairment write-down of non-current assets	1 829	0	0	0	0	1 829
Impairment write-down of trade receivables	47	0	0	0	0	47
Write-downs of inventories	0	0	0	0	0	0
Impairment write-down of the other assets	0	0	0	0	0	0

	Poland	Czech Republic	Other segments	Total (CEE)
Q2 2012				
Sales revenues – external clients	248 410	81 852	28 844	359 106
Operating profit – segment results	4 943	2 126	(1 702)	5 367
Q2 2011				
Sales revenues – external clients	218 248	78 720	23 073	320 041
Operating profit – segment results	9 910	883	(2 922)	7 871

Part III
Selected financial data

Selected financial data including the main items of the condensed interim consolidated financial statements as at and for the 6 months ended 30 June 2012

in PLN'000	6 months of 2012 in PLN'000	6 months of 2011 in PLN'000	6 months of 2012 in EUR'000	6 months of 2011 in EUR'000
Sales revenues	1 112 766	786 026	262 092	198 793
Operating profit	53 155	35 345	12 520	8 939
Profit before tax	16 863	19 105	3 972	4 832
Net profit	22 829	21 230	5 377	5 369
Net profit (loss) attributable to non-controlling interest	4 284	1 587	1 009	401
Net profit attributable to shareholders of the parent company	18 545	19 643	4 368	4 968
Net cash from operating activities	114 822	46 165	27 044	11 676
Net cash from investing activities	(151 017)	(625 028)	(35 569)	(158 075)
Net cash from financing activities	41 332	474 096	9 735	119 903
Net increase/(decrease) in cash and cash equivalents	5 137	(104 767)	1 210	(26 496)
Total assets	2 624 567	2 274 216	615 908	570 465
Total liabilities and provisions for liabilities	1 598 139	1 423 632	375 036	357 104
Long-term liabilities	1 257 791	1 156 062	295 166	289 987
Short-term liabilities	340 348	267 570	79 870	67 117
Equity attributable to shareholders of the parent company	157 288	764 133	36 911	191 675
Non-controlling interests	1 026 428	86 451	240 872	21 685
Total equity	0	850 584	0	213 361
Share capital	714	713	168	179
Weighted average number of ordinary shares (not in thousands)	21 213 893	19 975 767	21 213 893	19 975 767
Weighted average number of ordinary shares used to calculate diluted profit per share	21 344 482	21 284 075	21 295 728	21 284 075
Basic profit per ordinary share (in PLN/EUR)	0.87	0.67	0.21	0.17
Diluted earnings per ordinary share (in PLN/EUR)	0.87	0.63	0.20	0.16
Basic profit on continued activities per ordinary share (in PLN/EUR)	0.43	0.33	0.10	0.08
Basic profit on discontinued activities per ordinary share (in PLN/EUR)	0.43	0.31	0.10	0.08
Declared or paid dividend per share *	-	-	-	-

in PLN'000	6 months of 2012 in PLN'000	6 months of 2011 in PLN'000	6 months of 2012 in EUR'000	6 months of 2011 in EUR'000
Sales revenues	1 112 766	1 140 333	262 092	288 400
Operating profit	53 155	43 923	12 520	11 108
Profit before tax	16 863	31 176	3 972	7 885
Net profit	22 829	24 818	5 377	6 277
Net profit (loss) attributable to non-controlling interest	4 284	1 587	1 009	401
Net profit attributable to shareholders of the parent company	18 545	23 231	4 368	5 875
Net cash from operating activities	114 822	46 165	27 044	11 676
Net cash from investing activities	(151 017)	(625 028)	(35 569)	(158 075)
Net cash from financing activities	41 332	474 096	9 735	119 903
Net increase/(decrease) in cash and cash equivalents	5 137	(104 767)	1 210	(26 496)
Total assets	2 624 567	2 303 754	615 908	577 874
Total liabilities and provisions for liabilities	1 598 139	1 413 327	375 036	354 519
Long-term liabilities	1 257 791	1 145 757	295 166	287 402
Short-term liabilities	340 348	267 570	79 870	67 117
Equity attributable to shareholders of the parent company	157 288	803 976	36 911	201 670
Non-controlling interests	1 026 428	86 451	240 872	21 685
Total equity	0	890 427	0	223 355
Share capital	714	713	168	179
Weighted average number of ordinary shares (not in thousands)	21 213 893	19 975 767	21 213 893	19 975 767
Weighted average number of ordinary shares used to calculate diluted profit per share	21 344 482	21 284 075	21 295 728	21 284 075
Basic profit per ordinary share (in PLN/EUR)	0.87	0.67	0.21	0.17
Diluted earnings per ordinary share (in PLN/EUR)	0.87	0.63	0.20	0.16
Basic profit on continued activities per ordinary share (in PLN/EUR)	0.43	0.33	0.10	0.08
Basic profit on discontinued activities per ordinary share (in PLN/EUR)	0.43	0.31	0.10	0.08
Declared or paid dividend per share *	-	-	-	-

IV. Presentation of adjustments effect on historical quarterly data for period 30.6.2011-31.03.2012 (note 1f)

	According to published financial statement for the 3 months ended March 31, 2012	II Adjustment – put option	III Adjustment- discontinued operation	After adjustments
Restaurant sales	714 578	-	(209 078)	505 500
Franchise and other sales	39 391		-	39 391
Total sales	753 969	-	(209 078)	544 891
Direct operating restaurant expenses:				
Food and material	(216 552)	-	57 267	(159 285)
Payroll and employee benefits	(185 004)	-	72 102	(112 902)
Royalties	(35 868)	-	8 591	(27 277)
Occupancy and other operating expenses	(203 441)	-	53 297	(150 144)
Franchise and other expenses	(35 498)	-	-	(35 498)
General and administrative (G&A) expenses	(47 686)	-	11 292	(36 394)
Impairment losses	(233)	-	-	(233)
Other operating income	5 301	-	(34)	5 267
Total operating costs and losses	(718 981)	-	202 515	(516 466)
Profit from operations	34 988	-	(6 563)	28 425
Finance costs	(18 853)	1 054	71	(17 728)
Finance income	254	-	-	254
Income from associates	16	-	-	16
Profit before tax	16 405	1 054	(6 492)	10 967
Income tax expense	(4 141)	-	90	(4 051)
Profit for the period from continuing operations	12 264	1 054	(6 402)	6 916
Profit from discontinued operations	-	-	6 402	6 402
Profit for the period	12 264	1 054	-	13 318
Profit attributable to:				
Non-controlling interests	727	-	-	727
Equity holders of the parent	11 537	1 054	-	12 591
Profit for the period	12 264	1 054	-	13 318

	According to published financial statement as at March 31,2012	I Adjustment - Spain	II Adjustment – put option	After adjustments
Assets				
Property, plant and equipment	951 107	-	-	951 107
Goodwill	717 638	(1 952)	-	715 686
Other intangible assets	516 031	12 916	-	528 947
Investment property	22 081	-	-	22 081
Investment in associates	411	-	-	411
Leasing receivables	277	-	-	277
Other non-current assets	32 962	-	-	32 962
Deferred tax assets	31 766	-	-	31 766
Total non-current assets	**2 272 273**	**10 964**	**-**	**2 283 237**
Inventories	40 931	-	-	40 931
Trade and other receivables	58 568	-	-	58 568
Corporate income tax receivables	2 444	-	-	2 444
Leasing receivables	155	-	-	155
Other current assets	21 835	-	-	21 835
Other financial assets	4 675	-	-	4 675
Cash and cash equivalents	155 892	-	-	155 892
Total current assets	**284 500**	**-**	**-**	**284 500**
Total assets	**2 556 773**	**10 964**	**-**	**2 567 737**
Equity				
Share capital	714	-	-	714
Reserves	519 409	-	74 006	593 415
Retained earnings	157 231	(56)	7 294	164 469
Translation reserve	88 801	119	-	88 920
Equity attributable to shareholders of the parent	**766 155**	**63**	**-**	**847 518**
Non- controlling interests	**146 265**	**28**	**-**	**146 293**
Total equity	**912 420**	**91**	**81 300**	**993 811**
Liabilities				
Interest-bearing loans and borrowings	852 360	-	-	852 360
Finance lease liabilities	4 165	-	-	4 165
Employee benefits	6 273	-	-	6 273
Provisions	5 484	-	-	5 484
Deferred tax liability	153 395	-	-	153 395
Put option liability	267 895	-	(81 300)	186 595
Other non-current liabilities	17 072	-	-	17 072
Total non-current liabilities	**1 306 644**	**-**	**(81 300)**	**1 225 344**
Interest-bearing loans and borrowing	72 180	-	-	72 180
Finance lease liabilities	244	-	-	244
Trade and other payables	257 444	10 873	-	268 317
Income tax liabilities	5 376	-	-	5 376
Other financial liabilities	2 465	-	-	2 465
Total current liabilities	**337 709**	**10 873**	**-**	**348 582**
Total liabilities	**1 644 353**	**10 873**	**-**	**1 573 926**
Total equity and liabilities	**2 556 773**	**10 964**	**-**	**2 567 737**

IV. Presentation of adjustments effect on historical quarterly data for period 30.6.2011-31.03.2012 (note 1f)

	According to published financial statement for the the 3 months ended December 31, 2011	II Adjustment – put option	III Adjustment- discontinued operation	After adjustments
Restaurant sales	739 752	-	(180 200)	559 552
Franchise and other sales	42 594	-	-	42 594
Total sales	782 346	-	(180 200)	602 146
Direct operating restaurant expenses:				
Food and material	(224 423)	-	49 958	(174 465)
Payroll and employee benefits	(175 372)	-	66 077	(109 295)
Royalties	(36 034)	-	6 677	(29 357)
Occupancy and other operating expenses	(222 508)	-	49 142	(173 366)
Franchise and other expenses	(39 499)	-	-	(39 499)
General and administrative (G&A) expenses	(64 776)	-	6 525	(58 251)
Impairment losses	(13 134)	-	-	(13 134)
Other operating income	10 254	-	(643)	9 611
Total operating costs and losses	(765 492)	-	177 736	(587 756)
Profit from operations	16 854	-	(2 464)	14 390
Finance costs	(34 575)	15 784	82	(18 709)
Finance income	(1 715)	-	(3)	(1 718)
Income from associates	(9)	-	-	(9)
Profit before tax	(19 445)	15 784	(2 385)	(6 046)
Income tax expense	20 755	-	(797)	19 958
Profit for the period from continuing operations	1 310	15 784	(3 182)	13 912
Profit from discontinued operations	-	-	3 182	3 182
Profit for the period	1 310	15 784	-	17 094
Profit attributable to:				
Non-controlling interests	3 403	-	-	3 403
Equity holders of the parent	(2 093)	15 784	-	13 691
Profit for the period	1 310	15 784	-	17 094

	According to published financial statement as at December 31,2011	I Adjustment - Spain	II Adjustment – put option	After adjustments
Assets				
Property, plant and equipment	953 310	-	-	953 310
Goodwill	745 134	(2 071)	-	743 063
Other intangible assets	549 482	13 711	-	563 193
Investment property	22 081	-	-	22 081
Investment in associates	140	-	-	140
Leasing receivables	309	-	-	309
Other non-current assets	32 533	-	-	32 533
Deferred tax assets	36 309	-	-	36 309
Total non-current assets	2 339 298	11 640	-	2 350 938
Inventories	40 770	-	-	40 770
Trade and other receivables	84 923	-	-	84 923
Corporate income tax receivables	3 165	-	-	3 165
Leasing receivables	161	-	-	161
Other current assets	15 716	-	-	15 716
Other financial assets	2 863	-	-	2 863
Cash and cash equivalents	143 960	-	-	143 960
Total current assets	291 558	-	-	291 558
Total assets	2 630 856	11 640	-	2 642 496
Equity				
Share capital	714	-	-	714
Reserves	489 273	-	-	568 254
Retained earnings	145 694	(56)	-	151 878
Translation reserve	136 533	(160)	-	136 373
Equity attributable to shareholders of the parent	772 214	(216)	-	857 219
Non- controlling interests	155 577	(50)	-	155 527
Total equity	927 791	(266)	85 221	1 012 746
Liabilities				
Interest-bearing loans and borrowings	838 946	-	-	838 946
Finance lease liabilities	3 429	-	-	3 429
Employee benefits	6 570	-	-	6 570
Provisions	7 573	-	-	7 573
Deferred tax liability	162 117	-	-	162 117
Put option liability	280 812	-	(85 221)	195 591
Other non-current liabilities	18 582	-	-	18 582
Total non-current liabilities	1 318 029	-	(85 221)	1 232 808
Interest-bearing loans and borrowing	77 956	-	-	77 956
Finance lease liabilities	252	-	-	252
Trade and other payables	300 842	11 906	-	312 748
Income tax liabilities	4 222	-	-	4 222
Other financial liabilities	1 764	-	-	1 764
Total current liabilities	385 036	11 906	-	396 942
Total liabilities	1 703 065	11 906	(85 221)	1 629 750
Total equity and liabilities	2 630 856	11 640	-	2 642 496

IV. Presentation of adjustments effect on historical quarterly data for period 30.6.2011-31.03.2012 (note 1f)

	According to published financial statement for the the 3 months ended September 30, 2011	I Adjust ment – Spain	II Adjust ment – put option	III Adjustment-discontinued operation	After adjustments
Restaurant sales	661 122	-	-	(167 885)	493 237
Franchise and other sales	40 370	-	-	0	40 370
Total sales	701 492	-	-	(167 885)	533 607
Direct operating restaurant expenses:					
Food and material	(188 956)	-	-	45 897	(143 059)
Payroll and employee benefits	(164 408)	-	-	61 508	(102 900)
Royalties	(34 610)	-	-	6 888	(27 722)
Occupancy and other operating expenses	(192 294)	-	-	45 454	(146 840)
Franchise and other expenses	(42 437)	1 128	-	-	(41 309)
General and administrative (G&A) expenses	(38 623)	-	-	7 037	(31 586)
Impairment losses	(1)	-	-	-	(1)
Other operating income	2 075	-	-	(38)	2 037
Total operating costs and losses	(659 254)	1 128	-	166 746	(491 380)
Profit from operations	42 238	1 128	-	(1 139)	42 227
Finance costs	(13 607)	-	(5 956)	82	(19 481)
Finance income	8 896	-	-	-	8 896
Income from associates	32	-	-	-	32
Profit before tax	37 559	1 128	(5 956)	(1 057)	31 674
Income tax expense	(7 243)	-	-	-	(7 243)
Profit for the period from continuing operations	30 316	1 128	(5 956)	(1 057)	24 431
Profit from discontinued operations	-	-	-	1 057	1 057
Profit for the period	30 316	1 128	(5 956)	-	25 488
Profit attributable to:					
Non-controlling interests	2 969	-	-	-	2 969
Equity holders of the parent	27 347	1 128	(5 956)	-	22 519
Profit for the period	30 316	1 128	(5 956)	-	25 488

	According to published financial statement as at September 30,2011	I Adjustment - Spain	II Adjustment – put option	After adjustments
Assets				
Property, plant and equipment	895 760	-	-	895 760
Goodwill	739 834	(1 929)	-	737 905
Other intangible assets	555 737	12 761	-	568 498
Investment property	21 318	-	-	21 318
Investment in associates	190	-	-	190
Leasing receivables	322	-	-	322
Other non-current assets	31 720	-	-	31 720
Deferred tax assets	12 621	-	-	12 621
Total non-current assets	2 257 502	10 832	-	2 268 334
Inventories	37 139	-	-	37 139
Trade and other receivables	71 824	-	-	71 824
Corporate income tax receivables	2 101	-	-	2 101
Leasing receivables	185	-	-	185
Other current assets	36 911	-	-	36 911
Other financial assets	1 625	-	-	1 625
Cash and cash equivalents	105 618	-	-	105 618
Total current assets	256 174	-	-	256 174
Total assets	2 513 676	10 832	-	2 524 508
Equity				
Share capital	714	-	-	714
Reserves	496 332	-	78 901	575 233
Retained earnings	147 786	(56)	(9 544)	138 186
Translation reserve	142 513	(45)	-	142 468
Equity attributable to shareholders of the parent	787 345	(101)	69 357	856 601
Non- controlling interests	134 521	(14)	-	134 507
Total equity	921 866	(115)	69 357	991 108
Liabilities				
Interest-bearing loans and borrowings	803 811	-	-	803 811
Finance lease liabilities	3 658	-	-	3 658
Employee benefits	2 987	-	-	2 987
Provisions	5 298	-	-	5 298
Deferred tax liability	160 894	-	-	160 894
Put option liability	258 736	-	(69 357)	189 379
Other non-current liabilities	13 811	-	-	13 811
Total non-current liabilities	1 249 195	-	(69 357)	1 179 838
Interest-bearing loans and borrowing	81 152	-	-	81 152
Finance lease liabilities	249	-	-	249
Trade and other payables	254 794	10 947	-	265 741
Income tax liabilities	3 566	-	-	3 566
Other financial liabilities	2 854	-	-	2 854
Total current liabilities	342 615	10 947	-	353 562
Total liabilities	1 591 810	10 947	(69 357)	1 533 400
Total equity and liabilities	2 513 676	10 832	-	2 524 508