AmRest Holdings SE

Condensed Consolidated Financial Statements

as at and for the quarter ended September 30th 2008

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Consolidated income statement
For the quarter ended 30 September

in thousands of Polish złoty	**9 months ended September 30 2008**	**3 months ended September 30 2008**	**9 months ended September 30 2007**	**3 months ended September 30 2007**
Restaurant sales	940 358	432 776	601 729	237 069
Restaurant expenses:				
Cost of food	(308 232)	(137 146)	(199 287)	(77 963)
Direct marketing expenses	(37 865)	(13 874)	(24 830)	(9 168)
Direct depreciation and amortization expenses	(42 343)	(15 842)	(34 617)	(13 501)
Payroll and employee benefits	(205 859)	(105 179)	(116 451)	(45 727)
Continuing franchise fees	(56 787)	(26 798)	(35 450)	(13 987)
Occupancy and other operating expenses	(174 401)	(85 847)	(103 761)	(42 134)
Total restaurant expenses	(825 487)	(384 686)	(514 396)	(202 480)
Gross profit on sales	114 871	48 090	87 333	34 589
General and administrative (G&A) expenses	(58 861)	(23 272)	(35 528)	(13 476)
Depreciation and amortization expense (G&A)	(2 765)	(1 201)	(2 006)	(824)
Other operating income/(expense), net	6 649	2 396	4 898	1 447
Gain/(loss) on the disposal of fixed assets	1 050	1 821	(192)	290
Impairment gain/(losses)	(816)	(12)	(249)	-
Profit from operations	60 128	27 822	54 256	22 026
Finance income	8 612	3 056	689	368
Finance costs	(13 861)	(7 557)	(4 861)	(2 551)
Share of profit of associates	649	158	706	224
Net profit before tax	55 528	23 479	50 790	20 067
Income tax expense	(15 539)	(6 295)	(9 702)	(4 338)
Net profit	39 989	17 184	41 088	15 729
Attributable to:				
Minority interests	(1 257)	(268)	509	(21)
Shareholders of the parent	41 246	17 452	40 579	15 750
Net profit for the period	39 989	17 184	41 088	15 729
Basic earnings per share in Polish złoty	2,91	1,23	2,96	1,11
Diluted earnings per share in Polish złoty	2,89	1,22	2,94	1,11

Consolidated balance sheet
As of 30 September 2008 and 31 December 2007

in thousands of Polish złoty	2008	2007
Assets		
Property, plant and equipment, net	428 149	272 663
Intangible assets	50 049	13 955
Goodwill	233 955	142 475
Investments in associates	59 977	2 353
Other non-current assets	50 250	47 952
Deferred tax assets	8 343	12 279
Total non-current assets	830 723	491 677
Inventories	15 306	11 594
Trade and other receivables	29 645	34 489
Income tax receivable	2 841	403
Other current assets	11 727	11 621
Cash and cash equivalents	60 190	46 873
Derivative financial instruments	1 615	-
Available- for sale financial assets	4 961	-
Total current assets	126 285	104 980
Total assets	957 008	596 657
Equity		
Issued capital	545	544
Share premium	322 776	320 532
Retained deficit	(10 353)	(58 917)
Current year net profit	41 246	48 564
Cumulative translation adjustment	(25 658)	(21 576)
Equity attributable to shareholders of the parent	328 556	289 147
Minority interests	5 974	4 316
Total equity	334 530	293 463
Liabilities		
Interest-bearing loans and borrowings	185 726	124 146
Finance lease liabilities	4 091	4 160
Employee benefits	1 198	1 221
Provisions	5 689	5 887
Deferred tax liabilities	9 096	10 124
Other non-current liabilities	15 946	2 337
Total non-current liabilities	221 746	147 875
Interest-bearing loans and borrowings	238 601	38 552
Finance lease liabilities	91	1 442
Trade and other accounts payable	159 872	111 527
Income tax payable	2 168	3 798
Total current liabilities	400 732	155 319
Total liabilities	622 478	303 194
Total equity and liabilities	957 008	596 657

Consolidated statement of cash flows
For the 9 months ended 30 September

in thousands of Polish złoty	**2008**	**2007**
Cash flows from operating activities		
Profit before tax	55 528	50 790
Adjustments for:		
Share of profit of associates	(649)	(705)
Amortization	3 735	5 030
Depreciation	41 373	31 593
Interest expense, net	11 320	3 727
Unrealized foreign exchange (gain)/loss	(6 554)	(13)
(Gain)/loss on disposal of fixed assets	(1 050)	192
Impairment losses	797	235
Equity–settled share based payments expenses	1 308	860
Working capital changes:		
(Increase)/decrease in receivables	6 306	1 218
(Increase)/decrease in inventories	353	431
(Increase)/decrease in other assets	1 213	(2 278)
Increase/(decrease) in payables and other liabilities	16 458	3 986
Increase/(decrease) in other provisions and employee benefits	(30)	(3 951)
Income taxes paid	(13 422)	(10 167)
Interest paid	(11 320)	(3 727)
Other	1 536	(1 892)
Net cash provided by operating activities	106 902	75 329
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(186 612)	(72 211)
Proceeds from the sale of property, plant and equipment and intangible assets	6 798	10 930
Proceeds from sale of held-to-maturity financial assets	-	9 984
Acquisition of property, plant and equipment	(104 077)	(63 370)
Acquisition of intangible assets	(5 880)	(5 071)
Acquisition of available-for sale financial assets	-	-
Acquisition of investment in related parties	(59 197)	(119 738)
Net cash used in investing activities	(348 968)	
Cash flows from financing activities	534	-
Proceeds from borrowings	276 913	77 000
Repayment of borrowings	(21 595)	(918)
Repayment of finance lease	(1 420)	(1 804)
Net cash provided by/(used in) financing activities	254 432	74 278
Net change in cash and cash equivalents	12 366	29 869
Cash and cash equivalents, beginning of period	46 873	25 241
Effect of foreign exchange rate movements	951	(210)
Cash and cash equivalents, end of period	**60 190**	**54 900**

Consolidated statement of changes in equity
for the 9 months ended 30 September 2008

in thousands of Polish zloty	Attributable to equity holders of the Company								Minority Interest	Total
	Share Capital (Note 19)	Share premium	Share options (Note 21)	Other reserves (Note 19)	Total Reserves	Accumula-ted deficit	Currency translations	Total		
As at 01.01.2007	519	210 302	2 644	6 191	219 137	(56 931)	(4 940)	157 785	79	157 864
Employees share option scheme – value of employee services	-	-	860	-	860	-	-	860	-	860
Currency translation differences	-	-	-	-	-	-	(587)	(587)	-	(587)
Profit for the period	25	99 962			99 962			99 987		99 987
	-	-	-	-	-	40 579	-	40 579	3 917	44 496
As at 30.09.2007	519	310 264	3 504	6 191	319 959	(16 352)	(5 527)	298 624	3 996	302 620
As at 01.01.2008	544	310 264	4 077	6 191	320 532	(10 353)	(21 576)	289 147	4 316	293 463
Employees share option scheme – value of employee services	-	-	1 308	-	1 308	-	-	1 308	-	1 308
Employees share option scheme – value of employee realized			(428)	-	(428)	-	-	(428)	-	(428)
Currency translation differences	-	-	-	-	-	-	(4 082)	(4 082)	-	(4 082)
Issue of shares	1	1 409	-		1 409	-	-	1 410	-	1 410
Fair value gains on available-for-sale financial assets	-	-	-	(1 660)	(1 660)	-	-	(1 660)	-	(1 660)
Impact of cash flow hedging	-	-	-	1 615	1 615	-	-	1 615		1 615
Transactions with minority interest	-	-	-	-	-	-	-	-	2 915	2 915
Profit for the period	-	-	-	-	-	41 246	-	41 246	(1 257)	39 989
As at 30.09.2008	545	311 673	4 957	6 146	322 776	30 893	(25 658)	328 556	5 974	334 530

See accompanying notes to the consolidated financial statements

Selected Notes to the Financial Statements

(a) Information on the Activities of the AmRest Group

AmRest Holdings SE(the “Company”) was established as a joint stock company in October 2000 in the Netherlands. The Company’s head office is located in Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Company’s corporate offices are located in Wroclaw, Poland.

The principal activity of the Group, conducted by its subsidiaries in Poland, the Czech Republic, Hungary, Russia, Serbia and Bulgaria, is to operate, basing on franchise agreements, Kentucky Fried Chicken („KFC”), Pizza Hut, Burger King and Starbucks restaurants , in the USA Applebee’s® restaurants and additionally its own proprietary restaurants “Rodeo Drive” and “freshpoint”.
The Group’s operations are not significantly seasonal what makes financial results for consecutive periods able to compare.

On 27 April 2005, the shares of AmRest Holdings SE commenced trading on the Warsaw Stock Exchange (“WSE”) in Poland.
Prior to 27 April 2005, the Company was jointly owned and controlled by International Restaurant Investments, LLC (“IRI”) of the United States and Kentucky Fried Chicken Poland Holdings BV (“KFC BV”) of the Netherlands. Before the initial public offering each shareholder possessed a 50% ownership.

IRI is a wholly-owned subsidiary of American Retail Concepts, Inc. of the United States (“ARC”), whereas KFC BV was a wholly-owned subsidiary of Yum! Brands, Inc. (“YUM!”) of the United States.
In conjunction with the listing of the Company’s shares on the WSE, YUM! sold all of its shares in the Company and is no longer a shareholder and a related party. Moreover, IRI also sold part of its shares as a result of the Company’s IPO on the stock exchange.

As at 30 September 2008 the Company’s largest shareholder with a 20 24% voting rights and ownership interest was BZ WBK AIB AM.

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

Burger King restaurants are operated under franchise agreements with Burger King Europe GmbH located in Zug, Switzerland which are to be signed for each particular restaurant separately once it opens. Each franchise agreement has a term of ten years, with an option of renewal by the Group for further ten years, subject to certain conditions being met as described in the agreements. The Group agrees to open and operate Burger King restaurants in strict accordance with the development schedule which includes the minimal numbers of openings in each development year as defined in the development agreement.

On 25 May 2007, the Group concluded agreements with Starbucks Coffee International, Inc. ("Starbucks"), concerning the cooperation on the development and operation of Starbucks stores in Poland, the Czech Republic and Hungary ("the agreements"). The agreements have a term ending on May 31, 2022, with an option to extend for an additional 5 years upon the fulfillment of certain conditions.
The parties established three separate companies, one for each of the 3 countries Poland, Czech Republic and Hungary. The above companies are the only entities with the right to develop and operate Starbucks stores in Poland, Czech Republic and Hungary during the term of the agreements with non-exclusive rights to certain institutional locations.
The Group contribute ultimately 82% and Starbucks 18% of the capital to all the companies. In the third and fourth year after the formation of all three companies Starbucks shall have the right and option to increase its participation by acquiring additional shares (up to 50%) in case of the Group's failure in opening and operating a minimum number of Starbucks stores in Poland, Czech Republic and Hungary. In the fifth and ninth year Starbucks will have an unconditional option to increase its stake up to 50%. In case of a conflicting acquisition or a change of control of the Group, Starbucks will have the right to increase its participation in companies up to 100% by acquiring shares from the Group at the price agreed between the parties based on a valuation of the all three companies.

The Group agrees to open and operate Starbucks stores in strict accordance with the development schedule which includes the minimum numbers of openings in each year within the agreements' period. If Group fails to meet the development obligations Starbucks will have the right to charge a development default fee or to terminate the agreements. The agreements include the provision concerning the purchase of coffee and other basic supplies either from Starbucks or other approved or designated suppliers.

As at September 30th 2008, the Group included the following subsidiaries:

Company	City and country of incorporation	Core business	Parent undertaking	Ownership interest and total vote	Date of effective control
American Restaurants Sp. z o.o.	Wrocław, Poland	Restaurant activity in Poland	AmRest Holdings SE	100.00 %	December 2000
American Restaurants s.r.o.	Prague, Czech Republic	Restaurant activity in the Czech Republic	AmRest Holdings SE	100.00 %	December 2000
International Fast Food Polska Sp. z o.o. in liquidation	Wrocław, Poland	No operations conducted currently	American Restaurants Sp. z o.o.	100.00 %	January 2001
Pizza Hut s.r.o.	Prague, Czech Republic	No operations conducted currently	American Restaurants s.r.o. American Restaurants Sp. z o.o.	99.973% 0.027%	December 2000
AmRest Kft	Budapest, Hungary	Restaurant activity in Hungary	American Restaurants Sp. z o.o.	100.00%	June 2006
Grifex I Sp. z o.o. in liquidation*	Wrocław, Poland	No operations conducted currently	American Restaurants Sp. z o.o.	48.00 %	September 2003
Galeria Arka Sp. z o.o.	Warsaw, Poland	Restaurant activity in Poland	American Restaurants Sp. z o.o.	100.00 %	March 2005
AmRest Ukraina t.o.w.	Kiev, Ukraine	Established to develop and operate restaurants in Ukraine	American Restaurants Sp. z o.o.	100.00 %	December 2005
Doris 2006 Sp. z o.o**	Warsaw, Poland	Lessee of space where a restaurant is opened	American Restaurants Sp. z o.o.	100.00 %	October 2006
AmRest Coffee Sp. z o.o	Wrocław, Poland	Operation of coffee stores in Poland	American Restaurants Sp. z o.o. Starbucks Coffee International, Inc	82.00 % 18.00%	March 2007
Bécsi út.13 Kft	Budapest, Hungary	Owner of building ,where the office surface is placed	AmRest Kft	100.00 %	April 2007
AmRest EOOD	Sofia, Bulgaria	Restaurant activity in Bulgaria	American Restaurants Sp. z o.o.	100.00 %	April 2007
AmRest Coffee s.r.o.	Wrocław, Poland	Operation of coffee stores in Czech Republic	American Restaurants Sp. z o.o. Starbucks Coffee International, Inc	1,56 % 98,44%	August 2007
AmRest Acquisition Subsidiary Inc.	Wilmington, USA	Holding activity	AmRest Holding SE	100.00 %	May 2007

OOO AmRest	Petersburg, Russia	Restaurant activity in Russia	AmRest Acquisition Subsidiary Inc. American Restaurants Sp. z o.o.	1,56% 98,44%	July 2007
OOO KFC Nord	Moscow, Russia	No operations conducted currently	OOO AmRest	100.00 %	July 2007
OOO KFC South	Moscow, Russia	No operations conducted currently	OOO AmRest	100.00 %	July 2007
OOO Sistema Bistrogo Pitania	Moscow, Russia	No operations conducted currently	OOO AmRest	100.00 %	July 2007
AmRest Kávézó Kft	Budapest, Hungary	Operation of coffee stores in Hungary	American Restaurants Sp. z o.o. Starbucks Coffee International, Inc	82.00 % 18.00 %	August 2007
AmRest D.O.O.	Belgrad, Serbia	Restaurant activity in Serbia	American Restaurants Sp. z o.o. ProFood Invest GmbH	60.00 % 40 00%	October 2007
AmRest LLC	Wilmington, USA	Holding activity	American Restaurants Sp. z o.o.	100.00 %	July 2008
AppleGrove Holdings LLC	Delaware, USA	Restaurant activity in USA(Applebee's®	AmRest LLC Grove Ownership Holdings LLC	80 % 20 %	July2008

* Despite the fact that the Group holds a 48% of voting rights and ownership interest it consolidates the Company as a subsidiary, since on the basis of agreements with the main shareholder, it has the right to control the Company's operating and financial activities.

** On 28th October 2008 registered in the Warsaw's District Court the merger Doris 2006 sp. z o.o. with American Restaurants sp. z o.o.

As at September 30th 2008, the Group included the following affiliates, consolidated with the equity method:

Company	City and country of incorporation	Core business	Parent undertaking	Ownership interest and total vote	Initial investment
Worldwide Communication Services LLC	Nevada, USA	Marketing services for the Group	American Restaurants Sp. z o.o.	33.33 %	October 2003
Red 8 Communications Group Sp. z o.o. *	Warsaw, Poland	Marketing services for the Group	Worldwide Communication Services LLC	17.33%	May 2002
SCM Sp. z o.o.**	Chotomów, Poland	Delivery services for restaurants operated by the Group	American Restaurants Sp. z o.o.	45.00%	April 2005
SCM s.r.o.	Prague, Czech Republic	Delivery services for restaurants operated by the Group	SCM Sp. z o.o.	40.50%	March 2007

* The Group holds a 17,33% of voting rights and ownership interest in Red 8 Communications Group Sp. z o.o. The Group has the right to influence the company's operations siginificantly, as it is a subsidiary of an associated entity - Worldwide Communication Services LLC, which holds 52% of voting rights.

** On 6th October 2008 American Restaurants sp. z o.o. acquired shares SCM sp. z o.o., now is in possession of 51% share in capital.

The Group's corporate offices are located in Wrocław, Poland. As of 30 September 2008 the restaurants operated by the Group are located throughout Poland, the Czech Republic, Hungary, Russia, Bulgaria , Serbia and in USA.

(b) Statement on the Accounts’ Compliance with International Financial Reporting Standards

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

(c) Seasonality of Production and Markets

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

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

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

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

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

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

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

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

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

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

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

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

(g) Dividend Payment

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

(h) Segment Reporting

Geographical Segments

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

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

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

Geographical segment data for the period ended 30 September 2008 and comparable period ended 30 September 2007 is as follows:

	Poland	*Czech*	*Russia*	*USA*	*Uncollec-ted*	*Total*
9 months ended 30 September 2008						
Revenue from external customers	503 936	156 946	96 077	141 425	41 974	940 358
Inter-segment revenue	-	-	-	-	-	-
Operating profit/segment result	57 662	4 827	5 476	731	(8 568)	60 128
Finance income						8 612
Finance costs						(13 861)
Share of profit of associates	649	-	-	-	-	649
Income tax						(15 539)
Profit for the period						41 246
Segment assets	279 296	122 107	222 587	213 555	59 486	897 031
Investments in associates	59 977	-	-	-	-	59 977
Consolidated total assets						957 008
Consolidated total liabilities	71 949	27 548	22 934	54 882	445 165	622 478
Depreciation	21 223	9 499	4 714	3 282	2 655	41 373
Amortization	2 141	526	520	394	154	3 735
Capital investments	52 402	30 682	49 306	192 993	19 614	344 997
Impairment of fixed assets	321	495	-	-	-	816
3 months ended 30 September 2008						
Revenue from external customers	183 131	56 281	35 523	141 425	16 416	432 776
Inter-segment revenue	-	-		-	-	-
Operating profit/segment result	24 777	3 079	2 227	731	(2 992)	27 822
Finance income						3 056
Finance costs						(7 557)
Share of profit of associates	158	-	-	-	-	158
Income tax						(6 295)
Profit for the period						18 441
Segment assets	279 296	122 107	222 587	213 555	59 486	897 031
Investments in associates	59 977	-	-	-	-	59 977
Consolidated total assets						957 008
Consolidated total liabilities	71 949	27 548	22 934	54 882	445 165	622 478
Depreciation	6 417	3 093	1 612	3 282	952	15 356
Amortization	806	158	192	394	137	1 687
Capital investments	25 469	12 943	3 328	192 993	3 359	238 092
Impairment of fixed assets	12	-	-	-	-	12

	Poland	*Czech*	*Russia*	*Unalloca-ted*	*Total*
9 months ended 30 September 2007					
Revenue from external customers	397 650	141 037	28 461	34 581	601 729
Inter-segment revenue	-	-	-	-	-
Operating profit/segment result	36 422	17 643	1 827	(1 636)	54 256
Finance income					689
Finance costs					(4 861)
Share of profit of associates	706	-	-	-	706
Income tax					(9 702)
Profit for the period					40 579
Segment assets	251 254	116 902	65 300	-	433 456
Investments in associates	1 926	-	-	-	1 926
Unallocated corporate assets	-	-	-	142 523	142 523
Consolidated total assets					577 905
Segment liabilities	43 080	19 281	6 092	-	68 453
Unallocated corporate liabilities				206 832	206 832
Consolidated total liabilities					275 285
Depreciation	20 990	7 653	1 590	1 360	31 593
Amortization	4 038	462	145	385	5 030
Capital investments	37 865	10 203	207 275	25 417	280 760
Impairment of fixed assets	14	-	-	235	249
3 months ended 30 September 2007					
Revenue from external customers	147 629	49 122	28 461	11 857	237 069
Inter-segment revenue	-	-	-	-	-
Operating profit/segment result	13 644	7 339	1 827	(784)	22 026
Finance income					368
Finance costs					(2 551)
Share of profit of associates	224	-	-	-	224
Income tax					(4 338)
Profit for the period					15 750
Segment assets	251 254	116 902	65 300	-	433 456
Investments in associates	1 926	-	-	-	1 926
Unallocated corporate assets	-	-	-	142 523	142 523
Consolidated total assets					577 905
Segment liabilities	43 080	19 281	6 092	-	68 453
Unallocated corporate liabilities				206 832	206 832
Consolidated total liabilities					275 285
Depreciation	7 562	2 755	1 590	552	12 459
Amortization	1 463	134	145	124	1 866
Capital investments	10 794	3 669	207 275	9 870	231 608
Impairment of fixed assets	-	-	-	-	-

The unallocated column relates to corporate assets, liabilities (mainly borrowings) and transactions of AmRest Holdings SE, and subsidiaries located in Hungary, Bulgaria, Ukraine and Serbia.

(i) Events Subsequent to the Balance-Sheet Date

- On the 17 October 2008 the Group signed The Development Agreement with Burger King Europe GmbH (“BKE”) regarding new market in Czech Republic.
- On 28th October 2008 registered in the Warsaw’s District Court the merger Doris 2006 sp. z o.o. with American Restaurants sp. z o.o.

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

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

Pursuant to the information available to the Company, as at the date of release of this quarterly report, that is November 14th 2008, the following shareholders submitted information on holding directly or indirectly (through subsidiaries) 5% or more of the total vote at the General Shareholders Meeting of AmRest Holdings SE (“AmRest”)

Name of the shareholder	Number of shares	Share in equity %	Number of votes	Share in total number of votes %
BZ WBK AIB AM *	2 870 940	20.24%	2 870 940	20.24%
ING OFE	2 481 314	17.49%	2 481 314	17.49%
Henry McGovern **	1 348 010	9.50%	1 348 010	9.50%
Commercial Union OFE	1 000 000	7.05%	1 000 000	7.05%
Pioneer Pekao IM ***	711 921	5.02%	711 921	5.02%

* BZ WBK AIB AM manages assets which include the funds of BZ WBK AIB TFI (14,14% pursuant to the AmRest best knowledge)
** Shares owned directly by Henry McGovern and through the companies wholly owned by him, i.e. IRI and MPI
*** Pioneer Pekao IM manages assets which include the founds of Pioneer Pekao TFI (5,01% pursuant to the AmRest best knowledge)

(k) Changes in Future and Contingent Liabilities

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

As noted in Section (a) above, restaurants are operated in accordance with franchise agreements with YUM! and subsidiaries of YUM!. The franchise agreements typically require that the Group pay an initial, non-refundable fee upon the opening of each new restaurant, pay continuing fees of 6% percent of revenues and commit 5% percent of revenue to advertising as specified in the relevant agreement. In addition, at the conclusion of the initial term of the franchise agreement, the Group may renew the franchise agreement, subject to a renewal fee.

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

The initial fees paid are approximately 41.9 TUSD per restaurant and renewal fees are 50% of the initial fees, adjusted to reflect changes in the US Consumer Price Index during the term of the relevant franchise.

The most significant conditions relating to franchise agreements to be concluded with Burger King Section (a) are as follows:

- The license is granted for 10 years period commencing from the date the franchised restaurant opens for business. The Franchisee has the right to renew the term of the agreement for immediate subsequent second term of 10 years upon the fulfillment of certain pre-conditions.
- Franchisee must pay monthly continuing fees to the franchisor equal to 5% of the Gross Sales of the Burger King restaurant operated by Franchisee.
- Franchisee must pay monthly continuing advertising and sales promotion fees equal to 5% of the Gross Sales of the Burger King restaurant operated by franchisee.

The key fees and costs to be borne by the Group relating to agreements with Starbucks Section (a) will be as follows:

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

l) Earnings per Ordinary Share

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

	9 months ended September 30 2008	3 months ended September 30 2008	9 months ended September 30 2007	3 months ended September 30 2007
Net profit attributable to shareholders of the parent(PLN '000)	41 246	17 452	40 579	11 548
Ordinary shares as at January 1st/April 1st	14 170 606	14 170 606	13 500 000	13 500 000
Effect of shares issued	1 663	3 362	222 535	663 317
Effect of stock options granted in 2005	59 000	59 000	56 123	56 123
Effect of stock options granted in 2006	35 344	35 344	30 278	30 278
Effect of stock options granted in 2007	-	-	-	-
Effect of stock options granted in 2008	-	-	-	-
Weighted average number of ordinary shares	14 266 613	14 268 312	13 809 936	14 249 718
Basic earnings per share (PLN	2,91	1,23	2,96	1,11
Diluted earnings per share (PLN)	2,89	1,22	2,94	1,11