

# **AmRest Holdings Spółka Europejska**

## **Registered auditor's report on the audit of the financial statements for the year from 1 January to 31 December 2015**



*Translation note:*

*This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

**Registered auditor's report on the audit of the financial statements  
for the year from 1 January to 31 December 2015  
to the General Shareholders' Meeting and the Supervisory Board of  
AmRest Holdings Spółka Europejska**

**This report contains 9 consecutively numbered pages and consists of:**

	Page
I. General information about the Company .....	2
II. Information about the audit.....	5
III. The Company's results, financial position and significant items of financial statements..	6
IV. The independent registered auditor's statement .....	8
V. Final information .....	9

**AmRest Holdings Spółka Europejska**  
**Registered auditor's report on the audit of the financial statements**  
**for the year from 1 January to 31 December 2015**

**I. General information about the Company**

- a. AmRest Holdings Spółka Europejska ("the Parent Company") has its seat in Wrocław, pl. Grunwaldzki 25-27.
- b. AmRest Holdings Spółka Europejska was established in the Netherlands in October 2000 as joint-stock company. On 19 September 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings Spółka Europejska. On 22 December 2008, the Company was entered in the Register of Businesses maintained by the District Court for Wrocław-Fabryczna VI Business Department of the National Court Register, with the reference number KRS 0000320252. The Court also registered the amendments to the Company's Articles of Association relating to the Company's registered office being moved to Poland.
- c. On 16 January 2009 the Company was assigned a tax identification number (NIP) 101-00-02-998 for the purpose of making tax settlements. On 5 January 2009 the Company was assigned a REGON number 020891041 for statistical purposes.
- d. As at 31 December 2015, and at the report signing date, the Company's share capital amounted to EUR 212.138,93 and consisted of 21.213.893 shares, with a nominal value of EUR 0.01 each. Total equity as at that date was positive and amounted to PLN 800.728 thousand.
- e. As at 31 December 2015, and at the report signing date, the Parent Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN'000)	Type of shares held	Votes (%)
FCapital Dutch B.V.	6.726.790	227	ordinary	31,71
Nationale-Nederlanden Otwarty Fundusz Emerytalny	2.539.429	85	ordinary	11,97
PZU Powszechnie Towarzystwo Emerytalne*	2.779.734	94	ordinary	13,10
Aviva Otwarty Fundusz Emerytalny	2.100.000	71	ordinary	9,90
Others	7.067.940	237	ordinary	33,32
	<b>21.213.893</b>	<b>714</b>		<b>100,00</b>

\* at the date of signing the report PZU PTE shareholder held 2.120.901 shares entitling to 10 % participate in AGM and the share of Others in the Company shareholding structure was 36,42%.

**AmRest Holdings Spółka Europejska**  
**Registered auditor's report on the audit of the financial statements**  
**for the year from 1 January to 31 December 2015**

**I. General information about the Company (cont).**

As at 31 December 2014, the Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN '000)	Type of shares held	Votes (%)
WP Holdings VII B.V.	6.726.790	227	ordinary	31,71
ING Otwarty Fundusz Emerytalny	4.000.000	135	ordinary	18,86
PZU Powszechne Towarzystwo Emerytalne	3.000.000	101	ordinary	14,14
Aviva Otwarty Fundusz Emerytalny	2.110.000	71	ordinary	9,95
Others	5.377.103	180	ordinary	25,34
	<b>21.213.893</b>	<b>714</b>		<b>100,00</b>

f. In the audited year, the Company engaged mainly in holding operations, having shares in the following subsidiaries:

- AmRest Sp. z o.o. (Poland);
- AmRest s.r.o (Czech Republic);
- AmRest EOOD (Bulgaria);
- AmRest Acquisition Subsidiary, Inc. (USA);
- AmRest HK Limited (China);
- Blue Horizon Hospitality Group PTE Ltd. (China), the entity formed Group, which includes companies located mainly in China;
- AmRest FSVC, LLC (USA).

g. During the audited year, the Management Board of the Parent Company comprised:

- |                       |               |                       |
|-----------------------|---------------|-----------------------|
| • Mark Chandler       | Board Member; |                       |
| • Drew O'Malley       | Board Member; |                       |
| • Wojciech Mroczynski | Board Member; |                       |
| • Jacek Trybuchowski  | Board Member; |                       |
| • Oksana Staniszevska | Board Member  | from 8 December 2015; |
| • Olgierd Danielewicz | Board Member  | from 8 December 2015. |

**AmRest Holdings Spółka Europejska**  
**Registered auditor's report on the audit of the financial statements**  
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**I. General information about the Company (cont).**

- h. The Company's related entities are:
- FCapital Dutch B.V. (company exercising significant influence on the Company as defined in IFRS 28), together with its subsidiaries,
  - the companies which form the Group, in which the Company is the Parent Entity, together with their affiliates,
  - Company's key management personnel and entities controlled by members of management and supervisory authorities.

- i. The Company is an issuer of securities admitted for trading on the Warsaw Stock Exchange. In accordance with the choice of selecting accounting policies permitted by the Accounting Act, the Company has decided to prepare its financial statements in accordance with IFRS as adopted by the European Union as of 2008.

The decision to prepare the Company's financial statements in accordance with these standards was made by the Company's Management Board on 11 December 2008 and approved by resolution of the Supervisory Board on 12 December 2008.

- j. As the parent company of the Group, the Company has also prepared consolidated financial statements according to IFRS as adopted by the European Union as at March 11, 2016. To better understand the Company's financial position and its results of operations as the Parent Company, the financial statements should be read in conjunction with the consolidated financial statements.

**AmRest Holdings Spółka Europejska**  
**Registered auditor's report on the audit of the financial statements**  
**for the year from 1 January to 31 December 2015**

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**II. Information about the audit**

- a. The audit of the consolidated financial statements as at and for the year from 1 January to 31 December 2015 was conducted by PricewaterhouseCoopers Sp. z o.o. with its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor, the Group's registered auditor Katarzyna Iganaszak (no.11715).
- b. PricewaterhouseCoopers Sp. z o.o was appointed registered auditor to the Company by Resolution No. 1/02/2015 of the the Supervisory Board dated 13 February 2015 in accordance with paragraph 12 p.1.d of the Company's Memorandum of Association.
- c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the audited entity within the meaning of art. 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (Journal of Laws of 2015, item 1011).
- d. The audit was conducted in accordance with an agreement dated June 18,2015, in the following periods:
  - interim audit                      from 16 November 2015 to 17 November 2015;
  - final audit                            from 25 January 2016 to 11 March 2016, at intervals.

**AmRest Holdings Spółka Europejska**  
**Registered auditor's report on the audit of the financial statements**  
**for the year from 1 January to 31 December 2015**

**III. The Company's results, financial position and significant items of financial statements**

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2015 (selected lines)**

	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>Change</b>		<b>Structure</b>	
	<b>PLN '000</b>	<b>PLN '000</b>	<b>PLN '000</b>	<b>(%)</b>	<b>31.12.2015 (%)</b>	<b>31.12.2014 (%)</b>
<b>ASSETS</b>						
Non-current assets	1.065.603	1.107.027	(41.424)	(3,7)	96,4	98,2
Current assets	39.637	19.733	19.904	>100,0	3,6	1,8
<b>Total assets</b>	<b>1.105.240</b>	<b>1.126.760</b>	<b>(21.520)</b>	<b>(1,9)</b>	<b>100,0</b>	<b>100,0</b>
<b>LIABILITIES AND EQUITY</b>						
Equity	800.728	811.172	(10.444)	(1,3)	72,5	72,0
Long-term liabilities	301.113	313.985	(12.872)	(4,1)	27,2	27,9
Short-term liabilities	3.399	1.603	1.796	>100,0	0,3	0,1
<b>Total liabilities and equity</b>	<b>1.105.240</b>	<b>1.126.760</b>	<b>(21.520)</b>	<b>(1,9)</b>	<b>100,0</b>	<b>100,0</b>

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year from 1 January to 31 December 2015 (selected lines)**

	<b>2015 r.</b>	<b>2014 r.</b>	<b>Change</b>	
	<b>tys. zł</b>	<b>tys. zł</b>	<b>tys. zł</b>	<b>(%)</b>
Administrative expenses	(6.810)	(2.840)	(3.970)	>100,0
Other operating income	13.521	2.506	11.015	>100,0
Other operating expenses	(10.919)	(21.201)	10.282	(48,5)
Finance income	18.148	17.699	449	2,5
Finance costs	(12.714)	(16.666)	3.952	(23,7)
<b>Profit/(loss) before income tax</b>	<b>1.226</b>	<b>(20.502)</b>	<b>21.728</b>	<b>&lt;(100,0)</b>
Income tax expense	(579)	(413)	(166)	40,2
<b>Net (loss) /profit</b>	<b>647</b>	<b>(20.915)</b>	<b>21.562</b>	<b>&lt;(100,0)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>647</b>	<b>(20.915)</b>	<b>21.562</b>	<b>&lt;(100,0)</b>

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**III. The Company's results, financial position and significant items of financial statements (cont.)**

The following comments are based on information obtained during the audit of the financial statements.

- At the end of the financial year, the Company's total assets amounted to PLN 1.105.240 thousand. During the year total assets decreased by PLN 21.520 thousand (i.e. by 1.9%).
- Investment in associates at 31 December 2015 amounted to PLN 890.852 thousand. The increase by PLN 16.910 thousand compared with the previous year was mainly due to increase of share capital in Blue Horizon Hospitality Group PTE Ltd. which resulted in additional shares amounted to PLN 16.232 thousand.
- Other long-term financial assets at 31 December 2015 amounted to PLN 174.200 thousand and included loans. The decrease by 58.300 thousand compared with the previous year was mainly due to repayments of the loans during the year.
- In 2015 administrative expenses amounted to PLN 6.810 thousand and increased by PLN 3.970 thousand compared with the previous year. The increase is mainly due to increase of cost of external services.
- In 2015 other operating income amounted to PLN 13.521 thousand. The increase of other operating income by 11.015 thousand compared with previous year was mainly due to the result achieved by the company on the proceedings of share-based option plan by AmRest Group employees.
- In 2015 other operating expenses amounted to PLN 10.919 thousand. The decrease of other operating expense by 10.282 thousand compared with the previous year was mainly due to recognizing lower impairment of assets in 2015.
- In 2015 financial income amounted to PLN 18.148 thousand and comprised mainly interest income of PLN 11.215 thousand. An increase of financial income by PLN 449 thousand (i.e. by 2,5%) compared to previous financial year was mainly due to dividend received amounted to PLN 6.606 thousand.
- In 2015 financial costs amounted to PLN 12.714 thousand and comprised mainly interest expense of PLN 12.082 thousand. A decrease of financial costs by PLN 3.952 thousand was mainly due to decrease of interest expense by 2.995 thousand.

The financial statements have been prepared on the assumption that the Company will continue in operation as a going concern.



**AmRest Holdings Spółka Europejska**  
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**IV. The independent registered auditor's statement**

- a. The Management Board of the Company provided all the information, explanations, and representations requested in the course of the audit and provided a representation letter confirming the completeness of the data included in the accounting records and the disclosure of all contingent liabilities and post balance-sheet events which occurred up to the date on which that letter was signed.
- b. The scope of the audit was not limited.
- c. The financial statements of the Company for the year from 1 January to 31 December 2014 were approved by Resolution No. 4 passed by the General Shareholders' Meeting on 19 May 2015 and filed with the National Court Register in 11 June 2015.
- d. We have assessed the operation of the accounting system. Our assessment covered in particular:
  - the accuracy of the documentation relating to business transactions;
  - the fairness, accuracy and verifiability of the books of account, including computerized books of account;
  - the methods used for controlling access to data and the computerized data processing system;
  - the safeguarding of the accounting documentation, books of account, and financial statements.

This assessment, together with our verification of individual items of the financial statements, provides the basis for expressing an overall and comprehensive opinion on these financial statements. The audit was not intended to provide a comprehensive opinion on the operations of the said system.

- e. The notes to the financial statements present all significant information required by IFRS as adopted by the European Union.
- f. The information in the Directors' Report for the year from 1 January to 31 December 2015 has been prepared in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state (Journal of Laws of 2014, item 133) and is consistent with that presented in the financial statements.

**AmRest Holdings Spółka Europejska**  
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**V. Final information**

This report has been prepared in connection with our audit of the financial statements of AmRest Holdings Spółka Europejska, pl.Grunwaldzki, Wrocław. The financial statements were signed by the Company's Management Board and the person entrusted with maintaining the books of account on 11 March 2016.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings Spółka Europejska dated 11 March 2016, concerning the said financial statements. The opinion on the financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the financial statements as a whole.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o. Registered Audit Company No. 144:

Katarzyna Ignaszak

Key Registered Auditor  
No. 11715

Wrocław, 11 March 2016



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