AmRest Holdings SE Capital Group

Report for the 1st half of 2014

August 14th, 2014

AmRest Holdings SE Report for the 1st half of 2014

PART I

Directors' report

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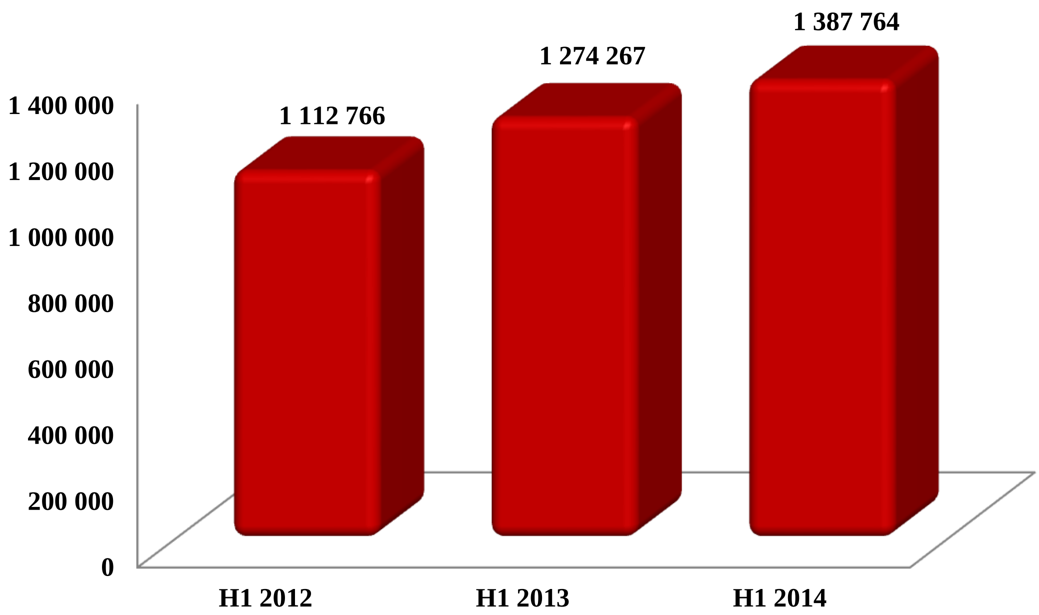

* Data without taking into account Applebee's restaurant revenue, as a result of the sale of AmRest LLC assets

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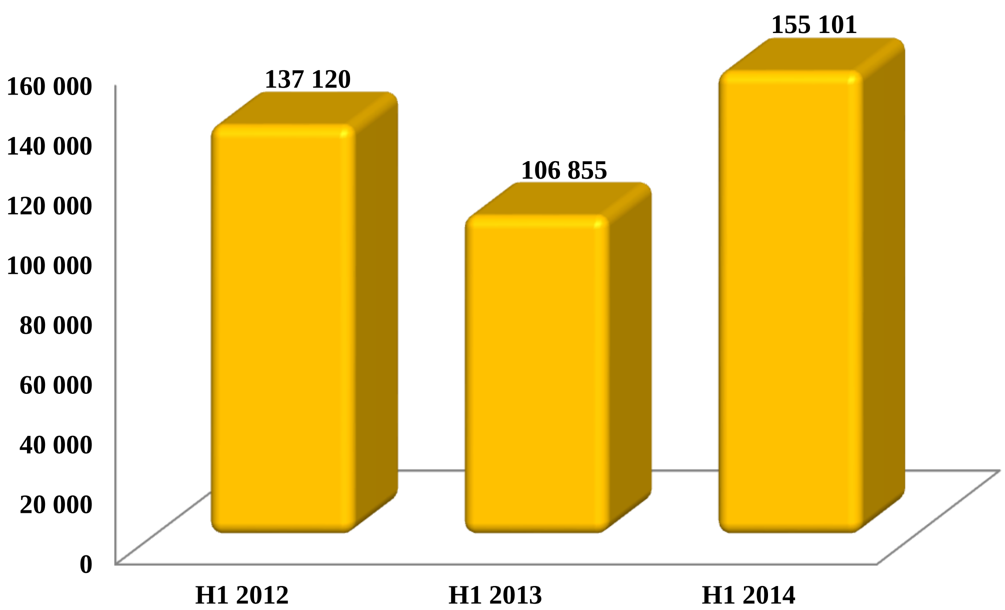

* In connection with the sale of Applebee's assets to Apple American Group II, LLC, the data does not account for the EBITDA generated by Applebee's restaurants

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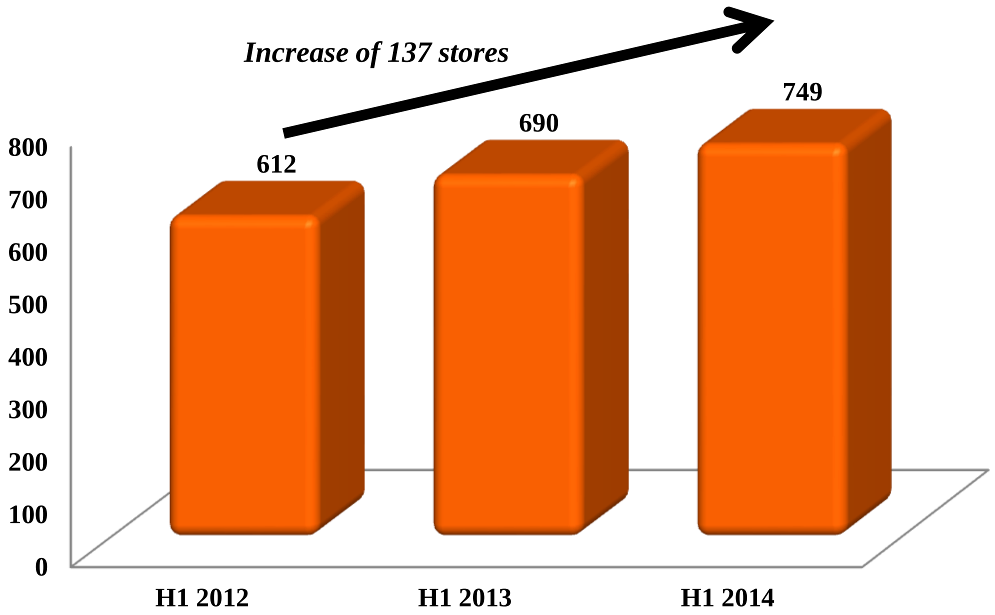
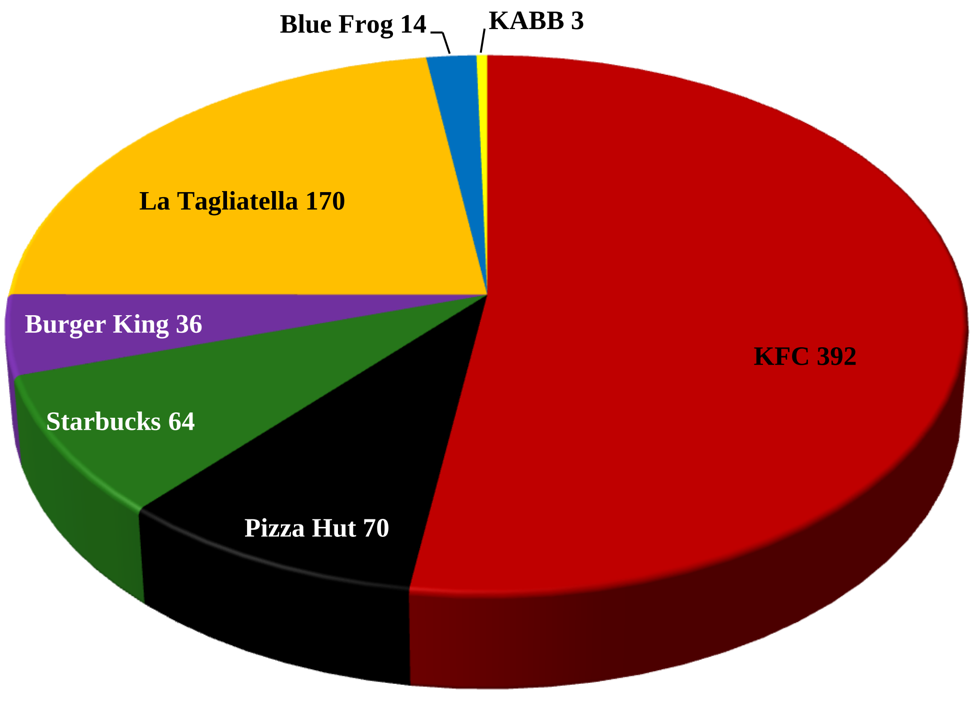


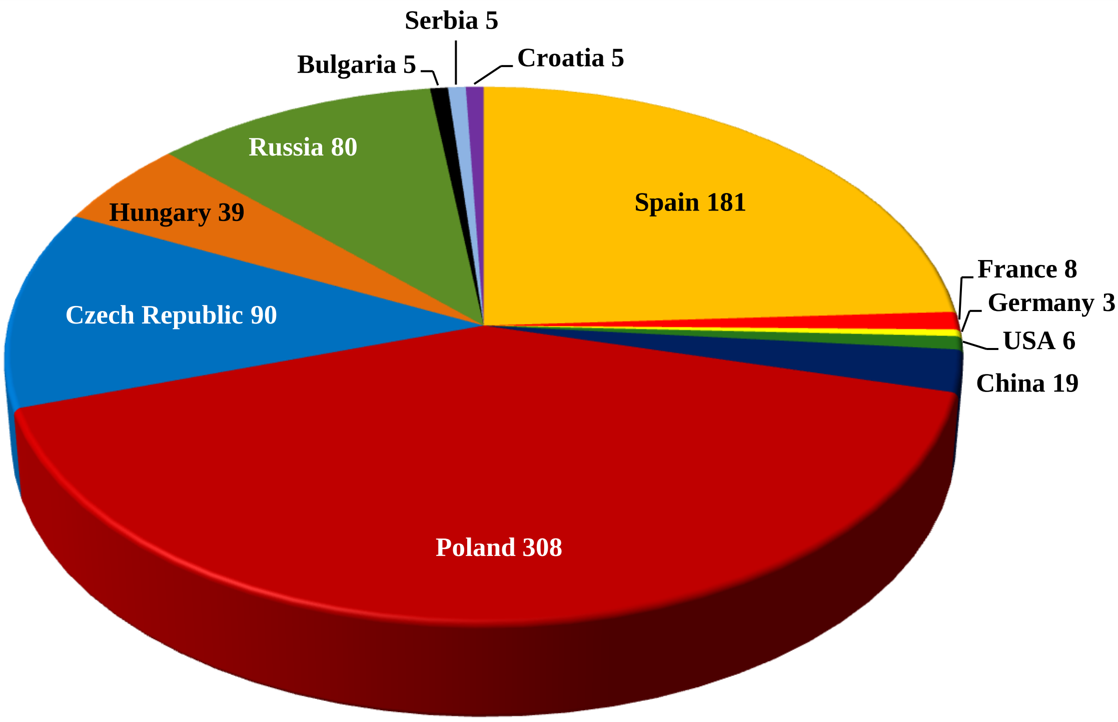
* Including restaurants operated by franchisees of La Tagliatella brand.
The data do not include 103 Applebee's restaurants sold to Apple American Group II, LLC

CHART 4 NUMBER OF AMREST RESTAURANTS BROKEN DOWN BY BRANDS, AS AT THE END OF THE FIRST HALF OF 2014



* Including restaurants operated by franchisees of La Tagliatella brand

CHART 5 NUMBER OF AMREST RESTAURANTS BROKEN DOWN BY COUNTRIES, AS AT THE END OF THE FIRST HALF OF 2014



* Including restaurants operated by franchisees of La Tagliatella brand

2. Company Business Overview

2.1. Basic services provided by the Group

AmRest Holdings SE ("AmRest") manages 7 restaurant brands in 12 countries of Europe, Asia and North America. Every day over 21 thousand AmRest employees deliver delicious taste and exceptional service at affordable prices, in accordance with our culture — "Wszystko Jest Możliwe!" ("Everything is possible!").

As at August 14th, 2014, AmRest manages 759 restaurants in two restaurant sectors: Quick Service Restaurants (QSR) – KFC, Burger King and Starbucks, and Casual Dining Restaurants (CDR), restaurants with full waiting service – Pizza Hut, La Tagliatella, Blue Frog and KABB.

AmRest restaurants provide on-site catering services, take away services, drive-in services at special sales points ("Drive Thru"), and deliveries for orders placed by telephone. The AmRest restaurant menus include brand dishes prepared from fresh products in accordance with original recipes and with KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB restaurants standards.

AmRest is a franchisee of Yum! Brands Inc. for the KFC and Pizza Hut brands. Burger King restaurants also operate on a franchise basis following an 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 licenses to develop and manage Starbucks restaurants. The La Tagliatella is the own brand of AmRest which became part of the portfolio in April 2011. La Tagliatella restaurants are operated both by AmRest and by entities which operate restaurants on a franchise basis. The Blue Frog and KABB brands became the property of AmRest in December 2012 as a result of purchase of a majority stake in Blue Horizon Hospitality Group LTD.

2.2. Quick Service Restaurants (QSR)

The KFC brand which was established in 1952 is currently largest and fastest developing and the most popular quick service brand specializing in chicken dishes. Worldwide, more than 18 500 restaurants are currently in operation in approximately 115 countries.

In first half of 2014 KFC brand in Central and Eastern Europe showed positive trends in terms of sales in base business and also in total sales. Number of guests visiting our stores across all countries was much higher than year ago. This positive sales trend was reflected also in financial results. Our profitability for first two quarters showed significant improvement across the whole region and beat last year and our annual plan as well. The economic environment in CE region is on positive trend. There is growth better than official forecast reported especially in core business countries such as Czech Republic and Hungary.

This year we have opened 12 new restaurants in Poland, Czech and Hungary and similar number will be opened by year end. Renovations of existing stores are executed according to the plan in all countries in new design, open kitchen solution and new system of sales – separated cash registers from pick up in order to react on long term trends and services efficiency increase. The current strategy of opening new restaurants – focus on Drive Thru restaurants, with main focus on busy expressways and highways and restaurants placed in shopping centres. Our stores will be located in large and medium cities about 50.000+ inhabitants.

KFC continues developing and implementing products in both key categories – new value products and also premium products. Value products are represented by brand new tortilla based product "Duetos" and premium product "Grander Texas" and "Grander Boss". One of the key product launches in the first half of the year was "Qurrito". This product strongly confirmed trend of tortilla based products in our region.

One of the unique initiatives of KFC brand in core markets are outdoor events. We were one of first brands in our segment being involved in outdoor events and have been present on this area for the whole summer across Poland, Czech, Hungary. We have developed for this year several branded container stores, which build strong brand awareness in Poland, Czech and Hungary.

Lean continues to be one of the key initiatives for KFC brand. Lean increases employees engagement, empowers people, optimizes and improves efficiency of restaurant operation. There is direct impact not only on optimization of operational costs, but mainly impacts guest experience, especially improvement in speed of service and overall hospitality.

KFC has worked last six months on strengthening of Operational model. One of the key initiatives in this field is new ordering system, which required major changes in many areas – restaurant design, open kitchen, new IT solution, new equipment set up. New Order / Pick up model allows is to be ready for new online technologies for ordering. There is already positive impact on speed and quality of guest service and hospitality. Open kitchen is an innovative way to show kitchen in KFC and connect our product with real, fresh food we prepare in our stores.

In 2014 KFC restaurants in Poland continue the initiative "Able in AmRest" related to employing handicapped persons. The brand also continues to support the Corporate Social Responsibility Foundation, helping the most underprivileged children in north-western Poland.

In Russia in the first half of the year 8 restaurants were opened. In the second half of 2014 the growth in this market will be more dynamic. It is planned to open about 20 more restaurants by the end of the year.

As at the date of this report, the Company operates 400 KFC restaurants: 187 in Poland, 66 in the Czech Republic, 75 in Russia, 30 in Spain, 28 in Hungary, 5 in Serbia, 4 in Bulgaria and 5 in Croatia.

The beginnings of Burger King date back to 1954. Today, Burger King ("Home of the Whopper") operates over 12,600 restaurants, serving about 11 million customers in over 80 countries every day. 100% of Burger King restaurants are run by independent franchisees and many of them have been managed for decades as family businesses. Burger King brand is owned by 3G Capital.

After a successful finish of 2013 with same store sales finishing 10% above last year, the brand continues its strong growth. For the first half of the year the business is over 8% above last year. The success of the growth lies primarily in realizing the new communication strategy "Taste is King" with investment in TV advertising four times a year. The success of communicating Burger King's value offer will continue in the second half of the year with the launch of "King Deal" – a widened assortment of burgers for 4,95pln. The brand following its long term strategy of "Better Burgers" has a higher quality product offer as an entry level, thus building a position of better quality and taste for customers.

Throughout the first half of 2014 the brand has also launched a variety of weekend action activating its customers, including deal of the enlarging a burger with additional portions of meat. This has been met with great response from the market. These products answer closely to the offer of burgers in "slow food" burger places as well as provide the legendary flame grilling flavor of Burger King.

For the second half of the year the brand will continue its strategy of "Better Burgers" realized through the new value platform and large tasteful flame grilled burgers.

AmRest will continue its strategy for gradual expansion opening 3-4 restaurants per annum. Growth to scale and profitability remains the a high priority.

As of the day of this report, AmRest operates the total of 36 Burger King restaurants – 28 in Poland, 7 in the Czech Republic and 1 in Bulgaria.

Starbucks is the world leader in the coffee sector with more than 20,000 stores in over 60 countries. It offers a broad selection of coffees from different parts of the world, as well as teas, soft drinks and a wide range of fresh snacks and desserts. The store designs and their atmosphere refer to the coffee heritage and reflect the culture of the neighbourhood. AmRest Coffee (a joint venture between Starbucks Coffee International and AmRest Holdings) currently operates Starbucks stores in Poland, Czech Republic and Hungary.

Brand growth strategy assumes increasing the market share in a disciplined manner, by improving sales in existing restaurants and by opening new stores.

Sales revenues generated by Starbucks in the 1st half of 2014 were higher than in the same period of the previous year.

This summer Starbucks once again introduced an innovative cold beverage. Following the successful launch of Refresha in 2013, two new beverages were added- Red Berry Yoghurt Frappuccino and Banana Yoghurt Frappuccino. Both drinks are a blend of fresh low fat drinking Yoghurt and real fruit. These drinks became hugely successful in Central Europe where yoghurt based drinks are popular.

Starbucks also refreshed it's food line up in all 3 markets. The introduction to clearer and more colourful packaging has helped customers find a great tasting food pairing it alongside their favourite beverages.

Starbucks Loyalty Card has continued to grow it's user base in Czech Republic and Poland. New style e-mail communication was created and a strong line-up of attractive offers as well as exclusive access to preview new products before regular customers has proven very popular. The loyalty programme is designed to increase customer loyalty and frequency of their visits to Starbucks by offering them various benefits. The cards are widely accepted in all stores in each country. Customers who register their cards can enjoy a variety of benefits.

The brand plans to expand while maintaining its competitiveness and focusing on long-term development.

As at the day of publication of this report, AmRest Coffee operates 64 stores (38 in Poland, 17 in the Czech Republic and 9 in Hungary). This year we have opened our first small format store in Wroclaw (Piłsudskiego street), which will allow us to open in a great variety of locations.

Starbucks, in April held the 4th annual Global Month of Service, with Starbucks partners (employees), customers and community members once again coming together to help contribute more than one million community service hours per year by 2015. This program supports the advancement of Starbucks Global Responsibility Goals which were designed to help make communities stronger through ethical sourcing, environmental stewardship and community engagement. In the future, the brand plans to develop while remaining loyal to its values, the company's strategy and business practices.

2.3. Restaurants in the Casual Dining Restaurants (CDR) segment

La Tagliatella currently with 153 restaurants in Spain, has proven to be resilient in the adverse economic scenario during the last years. In the second half of 2013 signs of stabilization on the macro-economic level were perceived and during the first half of 2014 Spanish economic indicators have started to improve with consumer confidence rising to 87% (the same level of 2007) and GDP growth forecast for next year of 1.8%

During first half of 2014 La Tagliatella comparable sales have been +3% which is ahead of the Casual Dining segment. At the same time openings of 6 new restaurants were delivered (3 equity and 3 franchised restaurants) and a pipeline of additional 9 stores for the balance of the year was built.

The introduction of a new menu with an updated design has strengthened the focus in product categories such as salads or proteins.

The new burrata and prosciutto ham salad, and the Parmigianino pastry named “Tortino” have rapidly become leaders amongst our customers.

The word of mouth marketing approach taken by La Tagliatella has been reinforced through social media. During this first half the campaign "Your Story" has worked further to build the link amongst brand and consumers with the highest engagement rates of the Casual Dining segment.

The international test markets continue to develop at a slow pace, as expected for a brand that is launched in a new country.

France saw the strong opening of a new equity restaurant in Vaulx-en-Velin near Lyon and a 40% increase in sales since the beginning of the year at Issy-les-Moulineaux outside of Paris. The sales increase was due primarily to increased traffic as the neighborhood develops in this zone. The focus in France is on finding quality locations, in order to increase the pace of franchise development.

In Germany and US we are focusing on improving margins in operations and developing customer loyalty.

Currently, AmRest operates 172 La Tagliatella restaurants — 153 in Spain and 19 in the New Markets (8 in France, 3 in Germany, 6 in the U.S. and 2 in China).

Pizza Hut is one of the largest casual dining restaurant chains in Europe. Inspired by the Mediterranean cuisine, it promotes the idea of having a good time while enjoying a meal together with family and friends. 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 results from consistently implemented "Pizza and much more!" strategy which assumes extending the brand's offer by adding new categories such as pastas, salads, desserts and starters while retaining the position of a leader and "pizza expert".

First half of 2014 turned out to be another very successful period for Pizza Hut. The brand continued building its position of pizza expert and leader position in casual dining segment by focusing on three pillars: product innovations, strong value offer and lighter menu.

Traditionally, new year started with the Pizza Festival – in 2014 we hosted 5th edition of this extraordinary promo offer. Well-known and long-awaited proposition, where for PLN 24.90 our Guests could try and taste countless combinations of flavors on 4 different dough types. Attractive additions to the offer included all-you-can-drink sparkling soft drinks and for PLN 5.00 and set of sauces for PLN 4.80. As expected, our loyal customer base responded to the Festival very well, driving the growth of average guest ticket and profitability of the brand. The offer was advertised on TV, radio and the Internet with a slogan "Pizza Festival is back!". Additionally, a special offer was available on the Internet encouraging bigger groups of people to come to our restaurants. It was another great Pizza Festival.

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Uniquely shaped pizza, with tons of craveable cheese on the edge – this is the most popular Pizza Hut proposition. In March and April, for the first time in Poland, Cheesy Lava Pizza was introduced. Uniqueness of the offer came from the additional portion of delicious cheese coming out of the edge of pizza like a lava during volcano's eruption. Advertising campaign was built around the abundance of cheese – the main attribute of the offer. In addition, advertising materials were tailored to specific groups of our customers, with different approach to families and friends. The success of Cheesy Lava Pizza was measured in double-digit growth of sales and strengthened the leading position of Pizza Hut in pizza innovations.

Spring and summer have always been a season of 'lighter' menu propositions in Pizza Hut. This year another product innovation entered our menu – 'Pizza Duo'. Fantastic combination of Tuscani-style pizza with a fresh salad met with great interest of our Guests. Complimentary positions in drink menu included refreshing melon and watermelon lemonades. This promo offer helped to attract new customers to Pizza Hut restaurants and increased the frequency of visits.

In the second half of 2014 Pizza Hut brand will focus more on both value and all-you-can-eat offers, including reinvented salad bar, upgraded family offer and another pizza innovations.

In Q4 2014 we shall witness the openings of regular Pizza Hut restaurants in Krakow and

Torun as well as some smaller formats located in shopping malls. All the above mentioned initiatives are aimed to strengthen the presence of Pizza Hut brand in the casual dining sector, constantly elevate our customers' satisfaction and increase returns on invested capital.

As at the day of publication of this report, Pizza Hut operates 70 restaurants – 58 in Poland, 10 in Russia and 2 in Hungary.

Inclusion of the Blue Horizon Hospitality Group to AmRest structure in 2012 enriched the CDR segment brand portfolio with two new positions operating in the Chinese market.

- Blue Frog Bar & Grill — restaurants serving grilled dishes from the American cuisine in a nice atmosphere.
- KABB Bistro Bar — premium segment restaurant, serving "western cuisine" dishes and a wide selection of wines and drinks.

The first half of 2014 saw continued strong momentum in the blue frog base business. Same store sales grew by 11% y-o-y, with volume increases continuing to be driven by growing guest counts. A new blue frog menu was launched at the beginning of April adding seasonal favourites from 2013 to the regular menu as well as a new selection of signature burgers while retiring slower moving items. A higher priced blue frog appetizer platter designed for groups to share was also introduced. Customer response to these changes was overwhelmingly positive with strong sales in the new items. The launch of the new menu was accompanied by a cross-channel campaign where customers voted for their favourite new burger. In addition to significant engagement on social media, burger sales increased by 15% as a result of this campaign. The second half of April marked the launch of new lunch sets across all blue frogs. Again, our loyal customer base responded by driving lunch sales close to 50% higher in the two months following the launch.

In the first half of 2014 we also continued our push into second tier cities with the opening of our second blue frog in Nanjing and our first blue frog in Wuxi. Both new restaurants received a great reception from customers and achieved opening sales above expectations. This was followed in May by the opening of the eighth blue frog in Shanghai. The new Super Brand Mall location broke blue frog opening records and brings the total number of blue frogs in China to 14. An additional three blue frogs will be opened in the second half of 2014.

2014 also saw the expansion of the Kabb brand beyond its flagship location in Xintiandi with the opening of two additional restaurants in premium sites in Shanghai. Both restaurants have steadily built on the existing Kabb customer base and achieved EBITDA break-even within the first six months of operation. These successful openings further support the proposed expansion of the Kabb brand beyond Shanghai with the next Kabb restaurant schedule to open in Chengdu in 2015.

As we enter the second half of 2014, the team continues to leverage relationships with key developers to build a strong pipeline through 2016. This includes signing sites that will see our expansion into Dalian, Hangzhou, Tianjin and Chengdu in the coming 18 months. With well-known and proven brands and strong existing relationships with leading mall operators, the Blue Horizon team continues to secure premium, sought-after sites in both first and second tier cities. In addition, we have recently launched a program to identify high-street sites in the cities in which we currently operate.

The Blue Horizon team continues to build on infrastructure improvements started in 2013 with the goal of achieving robust growth without compromising brand quality. This includes further leveraging the new Central Kitchen and the full implementation of a restaurant inventory management system.

3. Supplier chain

In the first half of 2014 situation in the commodity markets was relatively stable. In the first months of the year prices of crops maintained at high levels, but with optimistic forecasts on expected volume of harvest the followed a downward trend. The situation in the market of oilseed crops was also favorable, driven by abundant harvests in the previous year. Trends in the chicken market were more diverse. After a period of low prices in the beginning of the year, in May we witnessed rising trends, which fortunately eased recently. Beef market was stable and pork prices came back to the levels from the period before temporary slump caused by African swine fever detected in eastern Poland. Since June the price of pork have continued a moderate upward trend driven by a limited supply of this resource in the market. Situation in the milk sector has improved. After a period of growing prices in H2 2013, a downward trend started in the spring 2014, however the price levels from the beginning of 2013 have not been reached yet.

Complex analysis of market trends and long-term, trusted business relationships with suppliers were the key success factors behind savings recognized in the area of costs of food. Among other initiatives significant impact came from:

- Close cooperation with key suppliers, allowing for implementation of technology innovations and more effective production process,
- Flexibility in signing long-term and short-term agreements, depending on the market situation, leading to a better cost management,
- Broadening the base of local suppliers,
- Continuation of distribution strategy in Central Europe.

AmRest purchase strategy for the second half of 2014 is based on:

- Change of distributor in Poland,
- Launch of test central kitchen,
- Increase in chicken production capacity in Czech Republic,
- Further consolidation of purchase activities among the markets.



The list of the largest suppliers of AmRest:

1. Eurocash S.A. — distributor in Poland,
2. Quick Service Logistics Czech s.r.o. — distributor in the Czech Republic,
3. Conway S.A. – distributor in Spain,
4. OOO RBD Distribution – distributor in Russia,
5. Roldrob S.A. – supplier of chicken products in Poland,
6. Drobimex Sp. z o.o. – supplier of chicken products in Poland,
7. LDS Disztribútor Szolgáltató Kft. – distributor in Hungary,
8. "Myasokombinat "Vsevolozhsky" LLC – supplier of chicken in Russia,
9. OOO Alligator – distributor in Russia,
10. Avicola de Lleida S. A. U. – supplier of chicken in Spain,
11. Przedsiębiorstwo Drobiarskie Drobex Sp. z o.o. – supplier of chicken products in Poland,
12. PPHU Konspol- Bis Sp. z o.o. – supplier of chicken products in Poland.

4. Management and Supervisory Board members

Management Board:

Mark Chandler

Wojciech Mroczyński

Drew O'Malley

Supervisory Board:

Henry McGovern — Chairman

Peter A. Bassi — Vice-Chairman

Per Steen Breimyr

Raimondo Eggink

Amr Kronfol

Joseph P. Landy

Bradley D. Blum

As at the day of publication of this report, the above lists reflect the current composition of the Supervisory Board and the Management Board. Personal changes in the composition of the Supervisory Board and the Management Board in the period between 1 January 2014 and the day of publication of this report have been described in item 5.1.

5. Information relevant for the evaluation of human resources, financial situation and financial results of the Company

5.1. Significant staff changes

In the period since the publication of last report (the report for the first quarter of 2014, published on 9 May 2014), there were no changes in the composition of the Management Board.

On June 4th, 2014 Annual General Meeting of Shareholders appointed Mr. Henry McGovern to re-mandate as a Member of AmRest Supervisory Board (Resolution No. 11). The resolution came into force on the date of its adoption.

On July 9th, 2014, the Management Board of AmRest informed that at the meeting of the Supervisory Board held on July 8th, 2014, the Supervisory Board resolved to appoint Mr. Henry McGovern for its Chairman. The resolution came into force on the date of its adoption.

On June 9th, 2014 the Management Board of AmRest informed that on the same day it was notified about the resignation of Mr. Robert Feuer from AmRest Supervisory Board, effective June 4th, 2014.

In connection with Resolution No. 12 of the Annual General Meeting on the appointment of a member of the Supervisory Board and mentioned resignation of Mr. Robert Feuer from AmRest Supervisory Board, the Management Board of AmRest announced on June 9th, 2014 the appointment of Mr Amr Kronfol as a member of the AmRest Supervisory Board, effective June 4th, 2014.

Information on appointed members of the Supervisory Board:

Henry McGovern

McGovern is a 48 years old citizen of the United States. He currently holds the role of Chairman of AmRest Holdings SE Supervisory Board. He is the co-founder of AmRest and its former CEO. Since 1995 McGovern has served as President, initially of American Retail System (ARS) and from 1999 of AmRest. In the years 1993 - 1995, he was a member of the Supervisory Board of ARS. In the previous years, McGovern was CEO of Metropolian Properties International (MPI)- real estate company specializing in commercial property. He currently serves as Vice President of MPI and the President of International Restaurant Investment (IRI).

McGovern studied Biology and Philosophy at Georgetown University and attended the London School of Economics. He is an active member of Young Presidents' Organization.

Amr Kronfol

Amr Kronfol joined Warburg Pincus in 2009 with a focus on consumer and technology businesses in Eastern Europe, Russia and Turkey. Most recently, Mr. Kronfol has been working in the technology, media and telecommunications sectors in the United States.

Mr. Kronfol is involved in helping to manage Warburg Pincus' investments in AmRest, MultiView, GT Nexus, and Liaison International. Prior to joining Warburg Pincus, Mr. Kronfol worked at Merrill Lynch in the Fixed Income Division where he structured and traded agency mortgage-backed securities.

Mr. Kronfol received a B.A. magna cum laude from Princeton University in Computer Science and an M.B.A. from the Wharton School where he was a Palmer Scholar. Mr. Kronfol has been a CFA® charterholder since 2006.

5.2. Financial position of the Company

TABLE 1KEY FINANCIAL DATA OF AMREST (FIRST HALVES OF 2012–2014)

PLN ’000, unless stated otherwise	**Jun 30th, 2014**	**Jun 30th, 2013**	**Jun 30th, 2012**
Sales revenue	1 387 764	1 274 267	1 112 766
Operating profit before depreciation and amortization (EBITDA)	155 101	106 855	137 120
Operating margin before depreciation and amortization (EBITDA margin)	*11.2%*	*8.4%*	*12.3%*
Adjusted operating profit before depreciation and amortization (adjusted EBITDA)*	164 200	120 778	144 453
*Adjusted operating margin before depreciation and amortization (adjusted EBITDA margin)**	*11.83%*	*9.48%*	*12.98%*
Operating profit (EBIT)	50 628	7 464	49 758
Operating margin (EBIT margin)	*3.65%*	*0.59%*	*4.47%*
Net profit (attributable to AmRest shareholders)	12 952	42 771	18 616
Net margin	*0.93%*	*3.36%*	*1.67%*
Net profit (attributable to AmRest shareholders)**	12 952	-20 711	24 579
*Net margin***	*0.93%*	*-1.63%*	*2.21%*
Equity	1 050 707	1 154 864	1 025 566
Return on equity (ROE)	*1.23%*	*3.70%*	*1.82%*
*Return on equity (ROE)***	*1.23%*	*-1.79%*	*2.40%*
Total assets	2 623 510	2 697 687	2 624 856
Return on assets (ROA)	*0.49%*	*1.59%*	*0.71%*
*Return on assets (ROA)***	*0.49%*	*-0.77%*	*0.94%*

* Amounts net of one-off costs of new openings (start-up), costs of mergers and acquisitions, and corrections in indirect taxes.
** Amounts net of the impact of PUT option valuation (PLN 5 963k costs in H1 2012 and PLN 63 482k income in H1 2013).

Definitions:

- Operating margin before amortization and depreciation – operating profit before amortization and depreciation (EBITDA) to sales;
- Operating margin – operating profit to sales;
- Net margin – net profit attributable to AmRest shareholders to sales;
- Return on equity (ROE) — net profit to equity;
- Return on assets (ROA) — net profit to total assets;

TABLE 2 LIQUIDITY ANALYSIS (IN THE YEARS 2013–2014)

PLN '000, unless stated otherwise	**Jun 30th, 2014**	**Dec 31st, 2013***	**Jun 30th, 2013***
Current assets	368 446	415 824	388 547
Inventory	46 245	47 197	44 255
Short-term liabilities	443 626	500 503	572 233
Quick ratio	0.73	0.74	0.60
Current ratio	0.83	0.83	0.68
Cash and cash equivalents	221 489	259 510	243 842
Cash ratio	0.50	0.52	0.43
Inventory turnover (in days)	5.88	6.08	5.94
Trade and other receivables	70 058	83 115	62 551
Trade receivables turnover (in days)	9.44	9.76	10.74
Operating ratio (cycle) (in days)	15.33	15.84	16.68
Trade and other short-term payables	282 759	335 979	347 038
Trade payables turnover (in days)	38.57	42.71	42.63
Cash conversion ratio (in days)	-23.24	-26.87	-25.94

* Turnover ratios for the previous periods differ from the numbers published in previous reports due to a change in calculation reflecting seasonality of the business

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;
- Inventory turnover ratio – average inventories to sales multiplied by the number of days in the period;
- Trade receivables turnover ratio – average trade receivables to sales multiplied by the number of days in the period;
- Operating ratio (cycle) – total of inventories turnover and receivables turnover;
- Trade payables turnover ratio – average trade payables to sales multiplied by the number of days in the period;
- Cash conversion ratio – difference between the operating ratio and the trade payables turnover ratio.

TABLE 3 GEARING ANALYSIS (IN THE YEARS 2013–2014)

PLN ’000, unless stated otherwise	Jun 30th, 2014	Dec 31st, 2013	Jun 30th, 2013
Non-current assets	2 255 064	2 215 625	2 309 140
Liabilities	1 572 803	1 586 925	1 542 823
Long-term liabilities	1 129 177	1 086 422	970 590
Debt	1 111 707	1 075 697	1 018 617
Share of inventories in current assets (%)	12.55%	*11.35%*	*11.39%*
Share of trade receivables in current assets (%)	19.01%	*19.99%*	*16.10%*
Share of cash and cash equivalents in current assets (%)	60.11%	*62.41%*	*62.76%*
Equity to non-current assets ratio	0.47	0.47	0.50
Gearing ratio	0.60	0.60	0.57
Long-term liabilities to equity ratio	1.07	1.04	0.84
Liabilities to equity ratio	1.50	1.52	1.34
Debt/equity	1.06	1.03	0.88

Definitions:

- Debt – total of 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 non-current assets ratio – equity to non-current assets;
- Gearing ratio – total liabilities and provisions to total assets;
- Long-term liabilities to equity ratio – long-term liabilities and provisions to total equity;
- Liabilities to equity – liabilities and provisions as at the end of a given period to equity.

SALES

Sales revenue of the AmRest Group amounted to PLN 1 388 million in the first half of 2014 and was by 8,9% higher compared to the corresponding period of the previous year.

Revenue in the second quarter of 2014 reached PLN 714 million, which represented an increase of 7.3% compared with Q2 2013. The sales in local currencies increased by 13.8%.

The CEE division contributed the most to dynamic sale growth. In H1 2014 revenue of this division increased by PLN 54 million amounting to PLN 809 million (+7.2%). Second quarter saw growth of PLN 22 million (+5.6% vs Q2 2013). Key drivers of such a result was additional revenue generated in newly opened restaurants (32 openings in last 3 quarters) as well as positive sales trends in comparable stores across the whole division.

The Russian division sales amounted to PLN 199 million in H1 2014 with the 6.7% growth against the previous year. Sales dynamics in the second quarter of 2014 reached 6.2% (PLN 6 million increase in sales). Increase in revenue resulted from the continued double-digit growth rate of revenue in the comparable restaurants (in RUB) as well as additional sales from new openings (in Russia 10 restaurants were opened during last 3 quarters). In local currency revenue from sales increased by 24.3% in Q2 2014.

Spanish division observed 7.6% growth of sales in H1 2014, with PLN 21 million added over PLN 271 million generated in H1 2013. Positive sales trends initiated in the end of 2013 continued through the second quarter of 2014 resulting in PLN 10 million surplus in top line (+7%). Positive sales indexes in comparable stores were also supported by the added sales of new restaurant opened recently (10 new stores were added to portfolio in the last 3 quarters).

PLN 26 million sales surplus generated in New Markets during H1 2014 resulted in PLN 88m revenue reported for the period. Observed sales dynamics were the highest across all divisions and amounted to +43%. In Q2 2014 revenue grew by 30.3% which was driven mainly by double-digit growth rate of sales in comparable units of Blue Frog as well as scale of new openings (13 restaurants opened in the last 3 quarters).

PROFITABILITY

The EBITDA profit in H1 2014 amounted to PLN 155 million, with the growth of 45,2% against the respective period of 2013. In Q2 2014 dynamics were even higher and exceeded 50%. Substantial improvement in profitability was driven by both maintained positive sales trends and better costs effectiveness being the result of number of optimization processes implemented across the whole company. One of the greatest impacts on profits enhancement came from substantially decreased G&A expenses, having 1.7pp positive impact on EBITDA margin. The Group benefited also from lower prices of some of food products, which helped reduce the cost of food by 0.2pp in H1 2014. Additionally, in Q2 2014 New Markets division reported reduced EBITDA losses by PLN 3m. Further savings are expected in H2 2014.

EBITDA margin in H1 2014 amounted to 11.2% vs 8.4% generated in H1 2013 and reflected the improvement of margins across all divisions of AmRest. Margin improvement recorded in Q2 2014 was even higher resulting in EBITDA being 11.5% of sales (+3pp vs Q2 2013).

Adjusted EBITDA margin, net of costs of new openings, M&A costs and corrections in indirect taxes, amounted to 11.8% in H1 2014 and was 2.2pp above last year.

The highest H1 2014 EBITDA margin of 19.9% was reached by Spanish division (+0,8pp vs H1 2013). EBITDA amounted to PLN 58 million which was PLN 6 million above last year. Such a result was achieved through growing sales (better leverage of the unique business model based on the central kitchen facility) and improved costs management – particularly in equity stores of La Tagliatella. Additional source of margin improvement was identified in KFC Spain in areas of costs of food and payroll.

The EBITDA profit generated in the CEE division in H1 2014 amounted to PLN 105 million and was PLN 35 million higher compared to the corresponding period of 2013 (+49.3%). EBITDA margin grew by 3.7pp reaching 13%. Growth of profit, being a result of higher sales revenue and savings in most of costs categories, was observed in all the major CEE markets. Significant savings were identified within categories of costs of food and G&A.

Improvement of EBITDA in CEE was heavily supported by a significant improvement of profitability in KFC in Poland – EBITDA for Q2 2014 was the highest since 2012. Additionally KFC in Hungary reached in Q2 2014 the highest EBITDA margin in its history and Burger King in Poland for the first time reported positive EBITDA for the quarter.

The Russia division, despite continuing political uncertainty and weakening of ruble, recorded 13.7% increase in EBITDA profit reaching PLN 24 million in H1 2014 (11.8% margin). Key initiatives around costs of sales, labor and maintenance along with double-digit growth rate of sales allowed such profit improvement, which was particularly visible in comparable stores of KFC. Savings in the mentioned areas helped offset increased G&A costs related to dynamic expansion of new builds planned for the second half of 2014.

As for New Markets division, AmRest continues previously communicated strategy of limiting operating losses. As a result of number of undertaken actions, in Q2 2014 AmRest noted PLN 3 million decrease in EBITDA loss in New Markets, compared to 2013. Applying very prudent approach, in June 2014 management of the Group took a decision of closing 3 underperforming restaurants in New Markets, which have been opened recently. As a result assets of PLN 7 million were written off, which deteriorated profitability for the period. In the opinion of the Management Board, second half of 2014 will witness significant reduction in losses as a result of cost saving initiatives already implemented across the whole division. Expected double-digit sales growth rate in Blue Frog restaurants will positively contribute to EBITDA growth.

NET RESULT

The net result for AmRest shareholders amounted to PLN 13 million in H1 2014, being PLN 30 million lower compared to H1 2013. Decrease in net profit was a result of the positive effect of the put option settlement of the Restauravia group minority shareholders in H1 2013. Early settlement of this option decreased the cost of minority shares buyout and allowed to recognize PLN 63 million income from the transaction. Net profit adjusted for the impact of mentioned settlement increased by PLN 34 million, resulting in net margin of 0.9%.

DEBT RATIOS

The liquidity ratios are at levels ensuring smooth operating activities and their relatively low level is related to the specifics of restaurant industry. Cash surpluses generated on a current basis allows for the Group to serve efficiently existing debt and financing of the planned capital expenditure.

Share capital increased by PLN 6 million compared to balance of the end of 2013 and amounted to PLN 1 051 million at the end of H1 2014. The net debt to EBITDA increased by gain/(loss)from sale on fixed assets sale ratio as at the end of H1 2014 amounted to 2.67.

TABLE 4 REVENUES AND MARGINS GENERATED IN THE PARTICULAR MARKETS IN THE FIRST HALVES OF 2013 AND 2012

PLN '000	H1 2014			H1 2013		
		Share	*Margin*		*Share*	*Margin*
Sales	**1 387 764**			**1 274 267**		
Poland	*562 323*	*40.5%*		*520 445*	*40.8%*	
Czech Republic	*167 756*	*12.1%*		*164 554*	*12.9%*	
Other CEE	*78 710*	*5.7%*		*69 812*	*5.5%*	
Total CEE	808 789	58.3%		754 811	59.2%	
Russia	199 130	14.3%		186 655	14.6%	
Spain	291 909	21.0%		271 320	21.3%	
New Markets	87 936	6.3%		61 481	4.8%	
EBITDA	**155 101**		11.2%	**106 855**		8.4%
Poland	*77 444*		*13.8%*	*51 381*		*9.9%*
Czech Republic	*22 372*		*13.3%*	*16 969*		*10.3%*
Other CEE	*5 306*		*6.7%*	*2 078*		*3.0%*
Total CEE	105 122		13.0%	70 428		9.3%
Russia	23 589		11.8%	20 754		11.1%
Spain	58 175		19.9%	51 815		19.1%
New Markets	-25 213		-	-27 991		-
Unallocated	-6 572		-	-8 151		-
Adjusted EBITDA[1]	**164 200**		11.8%	**120 778**		9.5%
Poland	*80 585*		*14.3%*	*55 226*		*10.6%*
Czech Republic	*23 174*		*13.8%*	*18 397*		*11.2%*
Other CEE	*5 471*		*7.0%*	*2 689*		*3.9%*
Total CEE	109 230		13.5%	76 312		10.1%
Russia	25 032		12.6%	22 708		12.2%
Spain	58 838		20.2%	52 324		19.3%
New Markets	-22 327		-	-23 375		-
Unallocated	-6 573		0.0%	-7 191		0.0%
EBIT	**50 628**		3.6%	**7 464**		0.6%
Poland	*35 461*		*6.3%*	*9 049*		*1.7%*
Czech Republic	*8 007*		*4.8%*	*3 253*		*2.0%*
Other CEE	*-2 333*		-	*-3 779*		-
Total CEE	41 135		5.1%	8 523		1.1%
Rosja	11 286		5.7%	9 483		5.1%
Spain	37 071		12.7%	31 514		11.6%
New Markets	-32 292		-	-33 905		-
Unallocated	-6 572		-	-8 151		-

[1] EBITDA adjusted by costs of new openings (start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction) and corrections in indirect taxes.

5.3. Description of key domestic and foreign investments

The capital expenditure incurred by AmRest relates mainly to the construction of new restaurants and reconstruction as well as replacement of assets in the existing restaurants. The Company’s capital expenditure depends mainly on the number and type of restaurants opened.

In H1 2014 AmRest’s capital expenditure was financed mainly from cash flows from operating activities.

The table below presents purchases of non-current assets as at 30 June 2013 and as at 30 June 2014.

TABLE 5 PURCHASES OF NON-CURRENT ASSETS IN AMREST HOLDINGS SE (FIRST HALVES OF 2013–2014)

PLN '000	Jun 30th, 2014	Jun 30th, 2013
Intangible assets, including:	**5 268**	**6 851**
Trademarks	-	-
Favourable lease agreements	-	-
Licences for use of Pizza Hut and KFC trademarks	3 128	3 047
Goodwill	-	-
Other intangible assets	2 140	3 804
Fixed assets, including:	**137 712**	**127 352**
Land	6 209	3 962
Buildings	40 716	48 301
Equipment	29 963	45 490
Vehicles	-	121
Other (including fixed assets under construction)	60 824	29 478
Total	**142 980**	**134 203**

TABLE 6 NUMBER OF AMREST RESTAURANTS (AS AT THE DATE OF PUBLICATION OF THE REPORT)

Countries	Brands	31-12-2011	31-12-2012	31-12-2013	14-08-2014
Poland	**TOTAL**	**256**	**279**	**299**	**311**
	KFC	150	163	179	187
	BK	27	28	27	28
	SBX	21	32	35	38
	PH	58	56	58	58
Czech	**TOTAL**	**73**	**83**	**89**	**90**
	KFC	56	62	65	66
	BK	5	7	7	7
	SBX	12	14	17	17
Hungary	**TOTAL**	**29**	**34**	**38**	**39**
	KFC	21	25	27	28
	SBX	6	7	9	9
	PH	2	**2**	**2**	**2**
Russia	**TOTAL**	**55**	**66**	**77**	**85**
	KFC	44	56	67	75
	PH	11	10	10	10
Bulgaria	**TOTAL**	**5**	**6**	**5**	**5**
	KFC	2	4	4	4
	BK	3	2	1	1
Serbia	**TOTAL**	**4**	**4**	**5**	**5**
	KFC	4	4	5	5
Croatia	**TOTAL**	**1**	**2**	**5**	**5**
	KFC	1	2	5	5
Spain	**TOTAL**	**152**	**168**	**178**	**183**
	TAGE	35	47	53	56
	TAGF	85	89	94	97
	KFC	32	32	31	30
France	**TOTAL**	**2**	**5**	**8**	**8**
	TAGE	**-**	1	4	4
	TAGF	2	4	4	4
Germany	**TOTAL**	-	**2**	**3**	**3**
	TAGE	-	2	3	3
China	**TOTAL**	**-**	**12**	**18**	**19**
	Blue Frog	**-**	10	11	14
	KABB	**-**	1	2	3
	Stubb's	**-**	-	1	0
	TAGE	-	1	4	2
India	**TOTAL**	-	**-**	**2**	**0**
	TAGE	-	-	2	0
USA	**TOTAL**	**103**	**1**	**6**	**6**
	AB	103	**-**	-	**-**
	TAGE	-	**1**	5	4
	TAGF	-	-	1	2
Total Amrest		**680**	**662**	**733**	**759**

As at August14th, 2014, AmRest operated 759 restaurants, including 172 La Tagliatella restaurants, of which 103 are managed by franchisees. Compared with December 31, 2013, the Company runs 26 more restaurants as a result of 38 openings, of which 16 related to CEE, 8 to Russia, 7 to Spain (including 3 franchisee openings) and 7 to the New Markets.

TABLE 7 NEW AMREST RESTAURANTS

	AmRest equity restaurants	**AmRest franchisee restaurants**	**Total**
31.12.2013	**634**	**99**	**733**
New Openings	35	3	**38**
Transformation of equity into franchised unit	-1	+1	**0**
Closings	-12	0	**-12**
14.08.2014	**656**	**103**	**759**

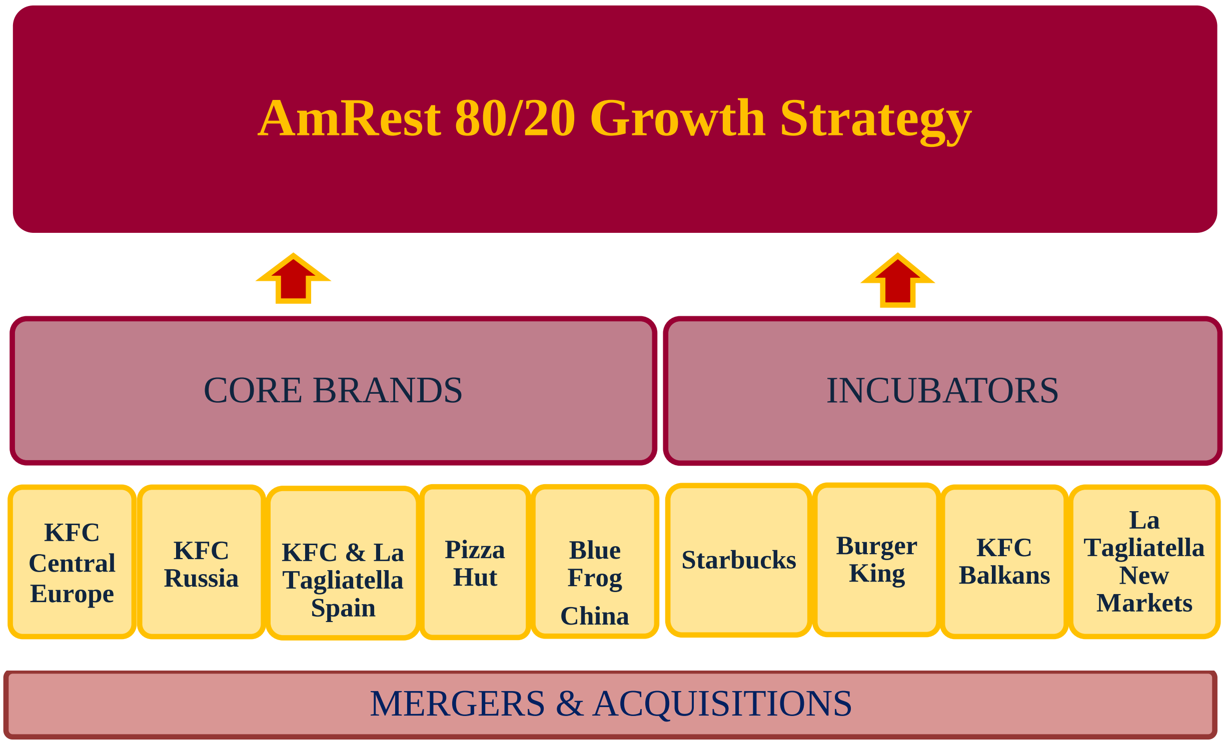
6. Planned investment activities and assessment of their feasibility

For many years AmRest has continued dynamic expansion through development of its core business as well as investing in new sources of growth, also known as incubators.

The core business represents proven brands, i.e. those yielding >20% ROIC and offering significant potential for growing scale. This category includes such brands as KFC in Central Europe and Russia, Pizza Hut, La Tagliatella in Spain and Blue Frog. The Company's strategy assumes investing 80% of available capital into this segment. AmRest constantly broadens its growth platform by developing incubators, being a potential source of future value creation for AmRest's shareholders. At this stage, incubator portfolio includes Starbucks, Burger King, KFC in the Balkans and La Tagliatella in New Markets. Capital investments in this sector are planned not to exceed 20% of total Capex of the Group.

Parallel to that, the Company continues expanding its growth platform by seeking new markets and brands and considering attractive acquisitions meeting the same value creation criteria, i.e. >20% ROIC and white space.

The growth strategy based on the two pillars shall be continued in the future.



The Company's priority within its basic operation will be defined by a further market penetration through continued dynamic pace of opening new restaurants. The structure of new openings shall largely reflect the existing restaurants portfolio, with KFC and La Tagliatella having a dominant position. Improvement of the return on investment (ROIC) and creation of long-term growth platform will define the main criteria of shaping the structure of new launches and acquisitions. The geographic structure of the investment shall concentrate on mature and emerging markets – Spain, Russia and Central Europe.

After a period of testing La Tagliatella brand outside Spain, Company's management decided to limit the expansion of this brand in New Markets until figuring out the business model. Development of division will be to a large extent driven by openings of Blue Frog restaurants in China, where EBITDA margins and the returns on investment are one of the highest across the whole Company.

Apart from the mentioned investment criteria, the Group will monitor and adapt on an ongoing basis to the market conditions and availability of attractive locations in particular countries.

In addition to processes of optimizing business portfolio, the Company continually takes efforts towards reductions of new openings costs. Already implemented initiatives focus on more effective investment process management and reductions in costs of its particular stages. ROIC improvement is the ultimate goal of these initiatives.

Current average cost of opening a new restaurant amounts to PLN 2.8 million and depends on its type and location.

According to the investment plan, the Company will also continue its modernization program of existing locations. Total assumed amount of capital investments in 2014 shall amount to PLN 380 million. The above amount does not include potential M&A activities.

Similarly to the previous years, AmRest's investment program will be financed both from the own sources and through debt financing.

7. External and internal factors which are significant to the Company's development in 2014

The Management Board of AmRest believes that the following factors will have a significant effect on the Company's future development and results:

7.1. External factors

The external factors include:

- competitiveness – in terms of prices, quality of service, location and quality of food,
- demographic changes,
- trends as to the number of people using the restaurants,
- number and location of the competitors' restaurants,
- changes in the law and regulations which have a direct effect on the functioning of the restaurants and the employees employed therein,
- change in real estate rental costs and related costs,
- changes in the prices of ingredients used to prepare meals and changes in the prices of packaging materials,
- changes in the general economic condition in Poland, the Czech Republic, Hungary, Bulgaria, Russia, Serbia, Croatia, Spain, France, Germany, China and the United States,
- changes in consumer trust, the amount of disposable income and individual spending patterns,
- changes in legal and tax determinants,
- adverse changes on the financial markets.

7.2. Internal factors

The internal factors include:

- gaining and training the human resources necessary for the development of the existing and new restaurant networks,
- obtaining attractive locations,
- effective launching of new brands and products,
- building an integrated information 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 the internal control system as well as for reviewing these systems for operating efficiency. These systems help identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these systems in place does not ensure complete elimination of the risk of fraud and violation of the law. The Management Board of AmRest performed a review, an analysis and a ranking of risks to which the Company is exposed. The main current risks and threats have been summarized in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

a) Factors remaining outside the Company's control

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

b) Dependency on the franchisor

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

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

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

c) Dependency on joint venture partners

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

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

d) No exclusive rights

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

In the case of Starbucks restaurants, the joint venture companies will be the only entities authorized to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusive rights to some institutional locations.

e) Rental agreements and continuation options

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

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

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

f) Risk related to the consumption of food products

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

g) Risk related to keeping key personnel in the Company

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

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

Running catering activities on such a large scale as the Issuer does requires employing a large number of professionals. Excessive outflow of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in Poland, the Czech Republic and Hungary (including in the catering sector) are still decidedly lower than in other European

Union countries, there is a risk of outflow of qualified staff and thus a risk of the Company being able to ensure the appropriate staff necessary for providing the highest quality catering services. In order to avoid the risk of losing qualified staff it may be necessary to gradually increase the salary rates, which may have an adverse effect on the financial standing of the Issuer.

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

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

j) Risk related to developing new brands

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

k) Risk related to opening restaurants in new countries

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

l) Currency risk

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

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

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

n) Risk of increased financial costs

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

o) Liquidity risk

The Company is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds. As at June 30th, 2014, the Company has enough short-term assets, including cash and promised credit limits, to fulfil is liabilities due in the next 12 months.

p) Risk of economic slowdowns

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

q) Risk related to seasonality of sales

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

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

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

9. Management representations

9.1. Correctness and fairness of the presented financial statements

To the best knowledge of the Management Board of AmRest Holdings SE, the abridged consolidated semi-annual financial statements and the comparative figures presented in the abridged consolidated semi-annual financial statements of the AmRest Group have been prepared in accordance with the binding accounting policies and they give a true, fair and clear view of the financial position of the AmRest Group and its results. The semi-annual Directors' Report included in this document provides a true image of the development and achievements and the situation of the AmRest Group, including a description of the key risks and threats.

9.2. Selection of the registered audit company

The entity authorized to audit the financial statements, PricewaterhouseCoopers Sp. z o.o., which carried out the annual audit of the abridged consolidated semi-annual financial statements of the AmRest Group has been selected in compliance with the provisions of the law. Both the entity and auditors conducting the audit met the requirements necessary to enable them to issue an unbiased and independent audit opinion, in accordance with the relevant laws. The agreement with PricewaterhouseCoopers Sp. z o.o. was concluded on June 6th, 2012 and will be in force until December 31st, 2014.

Wrocław, August 14th, 2014

Mark Chandler

AmRest Holdings SE

Board Member

Wojciech Mroczyński

AmRest Holdings SE

Board Member

Drew O'Malley

AmRest Holdings SE

Board Member

AmRest Holdings SE Report for the 1st half of 2014

PART II

Supplement to Directors' Report

Contents:

PART III

1. The position of the Management Board of AmRest Holdings SE concerning the realization of previously published prognoses concerning the results for the year

The Company did not publish any forecasts of its results.

2. Shareholders holding at least 5% of the general number of votes at the General Shareholders' Meeting of AmRest Holdings SE as at June 30, 2014 and as at the date of the report

According to the information held by the Company, as at June 30th, 2014, the following shareholders provided information on holding directly or indirectly (through subsidiaries) at least 5% of the number of votes at the General Shareholders' Meeting of AmRest:

SHAREHOLDERS HOLDING MORE THAN 5% OF VOTES AT THE GSM OF AMREST

Shareholders	Number of shares	Share in capital %	Number of votes at AGM	% shares at AGM
WP Holdings VII B.V.	6 726 790	31.71%	6 726 790	31.71%
ING OFE	4 000 000	18.86%	4 000 000	18.86%
PZU PTE*	3 012 786	14.20%	3 012 786	14.20%
Aviva OFE	2 110 000	9.95%	2 110 000	9.95%

* PTE PZU SA manages assets which include funds belonging to OFE PZU "Złota Jesień" and DFE PZU

As at the date of submitting this semi-annual report, August 14th, 2014, the above table illustrates the current structure of shareholders.

3. Description of changes in the shareholding

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

During the period since the publication of the previous periodical report (May 9th, 2014) following changes occurred with respect to AmRest shares and stock options held by the members of the Management and Supervisory Boards of AmRest:

According to the best knowledge of AmRest, the only member of Management Board, who owns the Issuer's shares is Mr. Wojciech Mroczyński. As at the date of May 9th, 2014 he held 2702 shares of the Company with a total nominal value of EUR 27.02. On June 30th, 2014 (and simultaneously on the date of publication of this report) he holds 2 702 shares of the Company with a total nominal value of EUR 27.02.

Pursuant to the information available to the Company, the only Supervisory Board member, who owns the Issuer's shares is Mr. Henry McGovern. As at the date of May 9th, 2014 he held 682 338 shares of the Company with a total nominal value of EUR 6 823.38. Until June 30th, 2014 his ownership has not changed. At the date of this report Mr. Henry McGovern holds 712 837 shares of the Company with a total nominal value of EUR 7 128.37.

Transactions on AmRest shares executed by persons having access to confidential information since issuing last financial report (May 9th, 2014)

On May 13th, 2014 the Management Board of AmRest informed that on May 12th, 2014 it received a notice from a person having access to confidential information of AmRest, about purchase of 63 AmRest shares on May 9th, 2014, at the price of PLN 80.00 PLN. The transaction was executed at the Warsaw Stock Exchange.

On May 15th, 2014 the Management Board of AmRest informed that on May 14th, 2014 it received a notice from a person having access to confidential information of AmRest, about purchase 37 AmRest shares on May 13th, 2014, at the price of PLN 79.39 PLN. The transaction was executed at the Warsaw Stock Exchange.

On May 16th, 2014 the Management Board of AmRest informed that on the same day it received a notice from a person having access to confidential information of AmRest, about purchase of 10 000 AmRest shares on May 15th, 2014, at the price of PLN 82.00 PLN. The transaction was executed at the Warsaw Stock Exchange.

On May 23rd, 2014 the Management Board of AmRest informed that on May 22nd, 2014 it received a notice from a person having access to confidential information of AmRest, about:

- purchase of 1 060 AmRest shares on May 20th, 2014, at the price of PLN 83.00 PLN,

- purchase of 940 AmRest shares on May 22nd, 2014, at the price of PLN 83.26 PLN.

The transactions were executed at the Warsaw Stock Exchange.

On May 27th, 2014 the Management Board of AmRest informed that on the same day it received a notice from a person having access to confidential information of AmRest, about purchase of 2400 AmRest shares on May 21st, 2014, at the price of PLN 47.60 PLN. The transaction was executed outside the regulated marked, being execution of AmRest management options.

On June 5th, 2014 the Management Board of AmRest informed that on the same day it received a notice from a person having access to confidential information of AmRest, about purchase of 600 AmRest shares on June 3rd, 2014, at the price of PLN 47.60 PLN. The transaction was executed outside the regulated marked, being execution of AmRest management options.

On June 6th, 2014 the Management Board of AmRest informed that on the same day it received a notice from a person having access to confidential information of AmRest, about:

- purchase of 1 989 AmRest shares on May 30th, 2014, at the price of PLN 86.33 PLN,

- purchase of 386 AmRest shares on June 2nd, 2014, at the price of PLN 87.20 PLN.

- purchase of 425 AmRest shares on June 3rd, 2014, at the price of PLN 88.00 PLN.

The transactions were executed at the Warsaw Stock Exchange.

On July 2nd, 2014 the Management Board of AmRest informed that on the same day it received a notice from a person having access to confidential information of AmRest, about a sale of 246 AmRest shares on June 30th, 2014, at the price of PLN 88.90 per share. The transaction was executed at the Warsaw Stock Exchange.

On July 8th, 2014 the Management Board of AmRest informed that on the same day it received a notice from a person having access to confidential information of AmRest, about a purchase of 13 099 AmRest shares on July 7th, 2014, at the average price of PLN 81,74. The transaction was executed at the Warsaw Stock Exchange.

On July 9th, 2014 the Management Board of AmRest informed that on July 8th, 2014 it received a notice from a person having access to confidential information of AmRest, about a purchase of 4 700 AmRest shares on July 8th, 2014, at the average price of PLN 82.26. The transaction was executed at the Warsaw Stock Exchange.

On July 10th, 2014 the Management Board of AmRest informed that on July 9th, 2014 it received a notice from a person having access to confidential information of AmRest, about a purchase of 450 AmRest shares on July 9th, 2014, at the price of PLN 82.00. The transaction was executed at the Warsaw Stock Exchange.

On July 11th, 2014 the Management Board of AmRest informed that on July 10th, 2014 it received a notice from a person having access to confidential information of AmRest, about a purchase of 12 250 AmRest shares on July 10th, 2014, at the average price of PLN 81.18. The transaction was executed at the Warsaw Stock Exchange.

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

The commencement of the purchase of treasury shares occurred on the basis of Resolution No. 16 of the General Meeting of the Company of 10 June 2011 concerning the authorization for the Management Board to acquire treasury shares in the Company and the establishment of reserve capital.

TRANSACTIONS ON AMREST TREASURY SHARES CONCLUDED WITHIN PERFORMANCE OF THE EXECUTIVE OPTIONS PROGRAM

Conclusion date	Settlement date	Purchase /disposal	Number of acquired/ disposed shares	Average acquisition /disposal price of shares	Nominal value of shares [EUR]	% of the share capital of the Company	Number of votes at AGM	Total number of shares	Total number of votes at AGM	% of the total number of votes in the Company
12.05.2014	12.05.2014	D	516	70.00	0.01	0.0083%	1 756	1 658	1 658	0.0078%
			240	78.00	0.01					
			1 000	86.00	0.01					
12.05.2014	15.05.2014	P	276	77.60	0.01	0.0013%	276	1 934	1 934	0.0091%
13.05.2014	16.05.2014	P	14	78.61	0.01	0.0001%	14	1 948	1 948	0.0092%
14.05.2014	19.05.2014	P	91	80.66	0.01	0.0004%	91	2 039	2 039	0.0096%
15.05.2014	20.05.2014	P	500	81.99	0.01	0.0024%	500	2 539	2 539	0.0120%
19.05.2014	22.05.2014	P	119	84.00	0.01	0.0006%	119	2 658	2 658	0.0125%
20.05.2014	23.05.2014	P	142	85.00	0.01	0.0007%	142	2 800	2 800	0.0132%
21.05.2014	26.05.2014	P	100	82.54	0.01	0.0005%	100	2 900	2 900	0.0137%
22.05.2014	22.05.2014	P	100	83.23	0.01	0.0005%	100	3 000	3 000	0.0141%
21.05.2014	21.05.2014	D	2 400	47.60	0.01	0.0113%	2 400	600	600	0.0028%
03.06.2014	03.06.2014	D	600	47.60	0.01	0.0028%	600	0	0	0.0000%

3.1. Other information on shareholding

The Management Board of AmRest does not know of any holders of securities which give special rights of control over the Company.

3.2. *Information about remuneration and share option held by members of the Company's management and supervisory bodies for the period of 6 months, ending June 30th, 2014.*

REMUNERATION OF THE PARENT COMPANY'S MANAGEMENT BOARD FOR THE PERIOD OF 6 MONTHS ENDED JUNE 30TH, 2014

	The period in the office during 6 months ended June 30th, 2014	Salaries and wages	Annual bonus, industry awards	Income from subsidiaries and associates	Benefits, income from other titles	Total income during 6 months ended June 30th, 2014
Members of the Management Board as at June 30th, 2014.						
Wojciech Mroczyński	1.01 - 30.06.14	419 216	-	419 217	17 499	436 716
Mark Chandler	1.01 - 30.06.14	542 247	-	542 247	6 126	548 373
Drew O'Malley	1.01 - 30.06.14	438 334	-	438 333	16 523	454 856
Total		**1 399 797**	**-**	**1 399 797**	**40 148**	**1 439 945**

REMUNERATION OF THE PARENT COMPANY'S SUPERVISORY BOARD FOR THE PERIOD OF 6 MONTHS ENDED JUNE 30TH, 2014

	The period in the office during 6 months ended June 30th, 2014	Remuneration for the time of holding the function in the Supervisory Board	Income from other contracts	Other benefits	Total income during 6 months ended June 30th, 2013	Commentary
Raimondo Eggink	1.01 - 30.06.14	42 000	-	11 094	53 094	
Robert Feuer	1.01 - 04.06.14	-	-	9 245	9 245	Voluntary resignation from remuneration
Amr Kronfol	4.06 - 30.06.14	-	-	1 849	1 849	Voluntary resignation from remuneration
Joseph P. Landy	1.01 - 30.06.14	-	-	11 094	11 094	Voluntary resignation from remuneration
Henry McGovern	1.01 - 30.06.14	626 522	-	-	626 522	
Per Steen Breimyr	1.01 - 30.06.14	42 000	-	11 094	53 094	
Peter A. Bassi	1.01 - 30.06.14	154 145	-	8 715	162 860	
Bradley D. Blum	1.01 - 30.06.14	101 290	-	8 715	110 005	
Total		**965 957**	**-**	**61 806**	**1 027 763**	

INFORMATION ON THE EMPLOYEE OPTION PROGRAM REGARDING THE MANAGEMENT DURING 6 MONTHS ENDED JUNE 30TH, 2014.

	The period in the office during 6 months ended June 30th, 2014	Function	Number of share options as at June 30th, 2013	Number of share options granted in the first half of 2014	Number of share options used in the first half of 2014	Number of share options as at June 30th, 2014	The fair value of all options as at the moment of their granting (PLN '000)
Henry McGovern	1.01 - 30.06.14	Chairman of the Supervisory Board	270 000	-	-	270 000	6 796
Wojciech Mroczyński	1.01 - 30.06.14	Board Member	100 250	30 000	-	130 250	3 956
Mark Chandler	1.01 - 30.06.14	Board Member	127 000	-	-	127 000	3 043
Drew O'Malley	1.01 - 30.06.14	Board Member	126 500	-	-	126 500	3 352

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

As at the date of the report, there are no significant proceedings in progress against the Company.

5. Composition of the Group

The current composition of the AmRest Group is presented in Note 1a of the Consolidated condensed interim financial statements for the first half of 2014.

The Group's offices are located in Wrocław, Poland. The restaurants currently run by the Group are located in Poland, the Czech Republic, Hungary, Russia, Serbia, Bulgaria, Croatia, Spain, France, Germany, China and the United States.

6. Loans and borrowings in the Group

Below table presents a summary of all the loans granted to related entities:

Lender	Borrower	Loan currency	Capital value of loans granted as of 30/06/2014 [PLN '000]	Total value of loans granted as of 30/06/2014 [PLN '000]*
AmRest Kft	OOO AmRest	RUB	44 838	46 187
AmRest Capital Zrt	AmRest s.r.o.	EUR	5 201	5 573
AmRest Capital Zrt	Spanish companies	EUR	487 496	496 845
AmRest Capital Zrt	OOO AmRest	EUR	55 922	60 118
AmRest Finance Zrt	AmRest Sp. z o.o.	PLN	525 735	586 047
AmRest Sp. z o.o.	AmRest Kft	PLN	5 790	7 931
Loans granted within Spanish companies		EUR	174 803	191 497
AmRest Sp. z o.o.	AmRest EOOD	PLN	0	2 281
AmRest Sp. z o.o.	AmRest LLC	USD	910	925
AmRest Holdings SE	AmRest HK Ltd	USD	3 930	3 916
AmRest Holdings SE	BHHG	USD	3 472	3 555
AmRest Holdings SE	AmRest s.r.o.	PLN	20 500	20 500
AmRest Holdings SE	AmRest Sp. z o.o.	PLN	212 000	212 000
AmRestavia SL	La Tagliatella LLC	USD	27 072	28 058

* Translated using the NBP rate as of 30/06/2014

7. Information on issues, redemption and repayment of debt securities

During the period covered by this report, the Company did not issue, redeem or repay any debt securities.

8. Information about transactions concluded by the Company with related parties on non-market conditions.

During the period covered by this report, the Company or its subsidiaries did not conclude with related parties any transaction on non-market conditions.

9. Information on dividends paid

During the period covered by the report, the Group paid dividend for the minority shareholder of SCM Sp. z o.o. in the amount of PLN 2 200 thousand.

10. Results of the AmRest Group for Q2 2014[1]

The consolidated semi-annual profit and loss account should be analysed only in connection with notes and explanations, which constitute an integral part of the Consolidated condensed interim financial statements for the first half of 2014.

THE CONSOLIDATED INCOME STATEMENT FOR THE 3 MONTHS ENDED JUNE 30TH, 2014

In PLN ‘000	3 months ended on June 30th, 2014	3 months ended on June 30th, 2013*
Revenue from restaurant operations	670 727	619 680
Revenue from franchising activities and other	42 919	45 471
Total revenue	713 646	665 151
Direct costs of restaurant operations:		
Food product costs	(213 887)	(201 898)
Salaries and wages and related employee benefits	(148 040)	(136 304)
Costs of licence (franchise) fees	(33 360)	(31 626)
Rental costs and other operating expenses	(212 376)	(197 546)
Total costs of franchising activities and other	(28 650)	(34 380)
General and administrative expenses	(47 565)	(58 056)
Gain/(loss) on sale of non-financial non-current assets and assets held for sale	-	-
Revaluation of assets	(5 757)	(5 598)
Other operating income	3 403	2 690
Total operating costs and expenses	(686 234)	(662 718)
Profit on operating activities	27 412	2 433
EBITDA	82 290	54 756
Financial expenses	(14 418)	(11 459)
Income from settlement / expense from revaluation of the put option	-	65 388
Financial income	1 151	3 503
Share in profit (loss) of associates	63	128
Profit before income tax	14 208	59 993
Corporate income tax	(10 129)	(34)
Net profit on continued operations	4 079	59 959
Profit on discontinued operations	-	(8 426)
Net profit	4 079	51 533

[1] The data have not been audited

3 months ended on June 30th, 2014	***CEE***	***USA***	***Spain***	***New Markets***	***Russia***	***Not allocated***	***Total***
Revenues	417 065	-	146 088	46 104	104 389	-	713 646
Revenue from sales – external customers	417 065	-	146 088	46 103	104 389	-	713 646
Operating profit, the segment result	20 144	-	19 331	(16 799)	7 674	(2 938)	27 412
Financial income	-	-	-	-	-	1 151	1 151
Financial expenses	-	-	-	-	-	(14 418)	(14 418)
Share in profits of affiliated entities	63	-	-	-	-	-	63
Corporate income tax	-	-	-	-	-	(10 129)	(10 129)
Deferred tax assets	24 533	-	7 237	1 148	-	-	32 918
Net profit/(loss) from continuing operations	-	-	-	-	-	4 079	4 079
Net profit/ (loss) on discontinued operations	-	-	-	-	-	-	-
Total net profit/(loss)	-	-	-	-	-	4 079	4 079
The segment’s assets	872 078	-	1 078 012	221 924	388 533	62 579	2 623 126
Investments in affiliated entities	384	-	-	-	-	-	384
Total assets	872 462	-	1 078 012	221 924	388 533	62 579	2 623 510
including goodwill	22 973	-	372 739	76 294	126 436	-	598 442
Liabilities of the segment	180 380	-	68 730	41 111	30 059	1 252 523	1 572 803
Depreciation of tangible fixed assets	27 367	-	7 667	2 824	5 950	-	43 808
Depreciation of intangible fixed assets	1 972	-	2 780	334	227	-	5 313
Capital expenditure	37 191	-	18 785	1 779	36 317	30	94 102
Asset write-down	3 966	-	36	(3)	-	-	3 999
Write-down of trade receivables	778	-	36	-	3	-	817
Inventories revaluation write-down	-	-	45	107	-	-	152
Other assets revaluation write-down	791	-	0	-	-	(1)	790
Goodwill revaluation write-down	-	-	-	-	-	-	-

3 months ended on June 30th, 2013	***CEE***	***USA***	***Spain***	***New Markets***	***Russia***	***Not allocated***	***Total***
Revenues	394 977	-	136 512	35 373	98 289	-	665 151
Revenue from sales – external customers	394 977	-	136 512	35 373	98 289	-	665 151
Operating profit, the segment result	5 236	-	16 816	(20 127)	5 337	(4 829)	2 433
Financial income	-	-	-	-	-	68 891	68 891
Financial expenses	-	-	-	-	-	(11 459)	(11 459)
Share in profits of affiliated entities	128	-	-	-	-	-	128
Corporate income tax	-	-	-	-		(34)	(34)
Deferred tax assets	29 462	-	-	-	-	-	29 462
Net profit/(loss) from continuing operations	-	-	-	-	-	59 959	59 959
Net profit/ (loss) on discontinued operations	-	(8 426)	-	-		-	(8 426)
Total net profit/(loss)	-	(8 426)	-	-	-	59 959	51 533
The segment's assets	865 818	-	1 102 426	261 420	335 322	132 539	2 697 525
Investments in affiliated entities	162	-	-	-	-	-	162
Total assets	865 980	-	1 102 426	261 420	335 322	132 539	2 697 687
including goodwill	25 076	-	387 814	84 283	142 395	-	639 568
Liabilities of the segment	223 286	-	75 853	53 726	33 907	1 156 051	1 542 823
Depreciation of tangible fixed assets	26 047	-	7 321	2 909	5 086	-	41 363
Depreciation of intangible fixed assets	2 046	-	2 777	294	245	-	5 362
Capital expenditure	29 635	-	5 153	20 042	20 477	27	75 334
Asset write-down	4 690	-	-	-	-	-	4 690
Write-down of trade receivables	80	-	(84)	-	-	-	(4)
Inventories revaluation write-down	1	-	-	235	201	-	437
Other assets revaluation write-down	80	-	-	-	-	-	80
Goodwill revaluation write-down	-	-	-	-	395	-	395

	Poland	The Czech Republic	Other segments	Total (CEE)
<u>3 months ended on June 30th, 2014</u>				
Revenue	289 281	86 282	41 502	417 065
Operating profit, the segment result	17 934	3 906	(1 696)	20 144

<u>3 months ended on June 30th, 2013</u>				
Revenue	272 502	85 616	36 859	394 977
Operating profit, the segment result	4 990	1 957	(1 711)	5 236

Part III Selected financial data

Selected financial data including the basic positions of the Consolidated condensed interim financial statements for the first half of 2014, as at June 30th, 2014 and six months ended on that day.

in PLN '000	6 months 2014 in PLN '000	6 months 2013 in PLN '000	6 months 2014 in EUR '000	6 months 2013 in EUR '000
Revenue from sales	1 387 764	1 274 267	332 343	304 973
Operating profit	50 628	7 464	12 124	1 786
Gross profit	26 008	53 800	6 228	12 876
Net profit	11 898	41 799	2 849	10 004
Net profit/(loss) attributable to non-controlling interests	(1 054)	(972)	(252)	(233)
Net profit attributable to equity holders of the parent company	12 952	42 771	3 102	10 236
Net cash flows from operating activities	69 494	87 871	16 642	21 030
Net cash flows from investing activities	(140 488)	(231 742)	(33 644)	(55 463)
Net cash flows from financing	31 987	181 215	7 660	43 371
Total net cash flows	(39 007)	37 344	(9 342)	8 938
Total assets	2 623 510	2 697 687	630 515	623 138
Total liabilities and provisions for liabilities	1 572 803	1 542 823	377 996	356 376
Long-term liabilities	1 129 177	970 590	271 378	224 196
Short-term liabilities	443 626	572 233	106 618	132 180
Equity attributable to equity holders of the parent company	989 394	1 081 328	237 784	249 775
Non-controlling interests	61 313	73 536	14 736	16 986
Total equity	1 050 707	1 154 864	252 519	266 762
Share capital	714	714	172	165
Weighted average number of ordinary shares (in pcs.)	21 213 893	21 213 893	21 213 893	21 213 893
Weighted average number of ordinary shares used for calculation of diluted earnings per share	21 409 180	21 552 365	21 409 180	21 552 365
Basic earnings per one ordinary share (in PLN/EUR)	0.56	1,97	0,13	0,47
Diluted earnings per one ordinary share (in PLN/EUR)	0.56	1,94	0,13	0,46
Basic earnings from continued operations per one ordinary share (in PLN/EUR)	0.56	2,58	0,13	0,62
Diluted earnings from continued operations per one ordinary share (in PLN/EUR)	0.56	2,54	0,13	0,61
Declared or paid dividend per one share	-	(0,61)	0,00	(0,15)