

AmRest Holdings N.V.

**Condensed Consolidated Financial Statements
as at and for the quarter ended December 31st 2007**

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Consolidated income statement
For the quarter ended 31 December

	12 months ended December 31 2007	3 months ended December 31 2007	12 months ended December 31 2006	3 months ended December 31 2006
<i>in thousands of Polish złoty</i>				
Restaurant sales	853 355	251 626	629 326	181 998
Restaurant expenses:				
Cost of food	(284 310)	(85 023)	(210 926)	(60 169)
Direct marketing expenses	(40 164)	(15 334)	(30 590)	(7 933)
Direct depreciation and amortization expenses	(49 030)	(14 413)	(40 177)	(12 321)
Payroll and employee benefits	(163 706)	(47 255)	(119 331)	(33 819)
Continuing franchise fees	(50 310)	(14 860)	(37 300)	(10 751)
Occupancy and other operating expenses	(149 577)	(45 816)	(105 600)	(30 043)
Total restaurant expenses	(737 097)	(222 701)	(543 924)	(155 036)
Gross profit on sales	116 258	28 925	85 402	26 962
General and administrative (G&A) expenses	(55 344)	(19 816)	(41 290)	(13 927)
Depreciation and amortization expense (G&A)	(2 751)	(745)	(3 416)	(1 451)
Other operating income/(expense), net	7 690	2 792	5 505	3 107
Gain/(loss) on the disposal of fixed assets	(1 226)	(1 034)	1 411	(475)
Impairment gain/(losses)	(1 208)	(959)	(3 117)	(714)
Profit from operations	63 419	9 163	44 495	13 502
Finance income	6 198	5 509	8 671	2 248
Finance costs	(8 417)	(3 556)	(4 847)	(910)
Share of profit of associates	1 141	435	637	107
Net profit before tax	62 341	11 551	48 956	14 947
Income tax expense	(13 978)	(4 276)	(10 314)	(4 750)
Net profit	48 363	7 275	38 642	10 197
Attributable to:				
Minority interests	291	(218)	59	54
Shareholders of the parent	48 072	7 493	38 583	10 143
Net profit for the period	48 363	7 275	38 642	10 197
Basic earnings per share in Polish złoty	3,50	0,51	2,86	0,76
Diluted earnings per share in Polish złoty	3,47	0,51	2,85	0,75

Consolidated balance sheet
As of 31 December 2007 and 31 December 2006

in thousands of Polish zloty

	<u>2007</u>	<u>2006</u>
Assets		
Property, plant and equipment, net	262 774	191 705
Intangible assets	13 905	12 829
Goodwill	160 598	23 516
Investments in associates	2 490	1 221
Long-term receivables	23 478	-
Other non-current assets	26 137	17 726
Deferred tax assets	10 469	9 336
Total non-current assets	<u>499 851</u>	<u>256 333</u>
Inventories	11 594	8 134
Trade and other receivables	18 371	11 460
Income tax receivable	469	-
Other current assets	12 358	5 976
Held-to-maturity investments	-	9 984
Cash and cash equivalents	47 313	25 241
Assets held for sale	-	3 861
Total current assets	<u>90 105</u>	<u>64 656</u>
Total assets	<u><u>589 956</u></u>	<u><u>320 989</u></u>
Equity		
Issued capital	544	519
Share premium	320 532	219 137
Retained deficit	(56 928)	(95 514)
Current year net profit	48 072	38 583
Cumulative translation adjustment	(23 585)	(4 940)
Equity attributable to shareholders of the parent	<u>288 635</u>	<u>157 785</u>
Minority interests	<u>4 316</u>	<u>79</u>
Total equity	<u>292 951</u>	<u>157 864</u>
Liabilities		
Interest-bearing loans and borrowings	132 198	72 140
Finance lease liabilities	4 429	3 326
Employee benefits	1 221	913
Provisions	4 735	5 565
Deferred tax liabilities	8 438	760
Other non-current liabilities	1 275	1 721
Total non-current liabilities	<u>152 296</u>	<u>84 425</u>
Interest-bearing loans and borrowings	30 551	918
Finance lease liabilities	1 081	68
Trade and other accounts payable	109 279	75 448
Income tax payable	3 798	2 266
Total current liabilities	<u>144 709</u>	<u>78 700</u>
Total liabilities	<u>297 005</u>	<u>163 125</u>
Total equity, minority interests and liabilities	<u><u>589 956</u></u>	<u><u>320 989</u></u>

Consolidated statement of cash flows
For the 12 months ended 31 December

in thousands of Polish zloty

	2007	2006
Cash flows from operating activities		
Profit before tax	62 341	48 956
Adjustments for:		
Share of profit of associates	(1 141)	(637)
Amortization	5 749	6 108
Depreciation	46 032	37 485
Interest expense, net	7 277	3 577
Unrealized foreign exchange (gain)/loss	(3 779)	(4 726)
(Gain)/loss on disposal of fixed assets	1 226	(1 411)
Impairment losses	1 194	2 540
Equity-settled share based payments expenses	1 433	497
Waiver of loans	-	(3 396)
Working capital changes:		
(Increase)/decrease in receivables	(6 410)	7 643
(Increase)/decrease in inventories	(1 995)	(772)
(Increase)/decrease in other assets	(2 532)	(2 344)
Increase/(decrease) in payables and other liabilities	24 213	14 649
Increase/(decrease) in other provisions and employee benefits	(1 940)	997
Income taxes paid	(12 473)	(5 580)
Interest paid	(7 277)	(3 577)
Other	(9 917)	545
Net cash provided by operating activities	102 001	100 554
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(71 270)	(20 730)
Proceeds from the sale of property, plant and equipment and intangible assets	9 464	1 082
Proceeds from sale of assets held for sale	4 000	5 000-
Proceeds from sale of held-to-maturity financial assets	9 984	
Acquisition of property, plant and equipment and intangible assets	(100 819)	(55 966)
Acquisition of held-to-maturity financial assets	(113)	(9 954)
Loan granted to third parties	(967)	-
Acquisition of investment in related parties	-	(10)
Net cash used in investing activities	(149 721)	(80 578)
Cash flows from financing activities		
Proceeds from borrowings	77 000	4 179
Proceeds from issuance of shares	-	-
Repayment of borrowings	(3 760)	(30 111)
Repayment of finance lease	(2 973)	(112)
Net cash provided by/(used in) financing activities	70 267	(26 044)
Net change in cash and cash equivalents	22 547	(6 068)
Cash and cash equivalents, beginning of period	25 241	31 575
Effect of foreign exchange rate movements	(475)	(266)
Cash and cash equivalents, end of period	47 313	25 241

**Consolidated statement of changes in equity
for the 12 months ended 31 December 2007 and 2006**

in thousands of Polish zloty

	Attributable to equity holders of the Company							Minority Interest	Total	
	Share Capital (Note 19)	Share premium	Share options (Note 21)	Other reserves (Note 19)	Total Reserves	Accumulated deficit	Currency translations			Total
As at 01.01.2006	519	210 302	2 147	6 191	218 640	(95 514)	(574)	123 071	20	123 091
Employees share option scheme – value of employee services	-	-	497	-	497	-	-	497	-	497
Currency translation differences	-	-	-	-	-	-	(4 366)	(4 366)	-	(4 366)
Profit for the period	-	-	-	-	-	38 583	-	38 583	59	38 642
As at 31.12.2006	519	210 302	2 644	6 191	219 137	(56 931)	(4 940)	157 785	79	157 864
As at 01.01.2007	519	210 302	2 644	6 191	219 137	(56 928)	(4 943)	157 785	79	157 864
Employees share option scheme – value of employee services	-	-	1 433	-	1 433	-	-	1 433	-	1 433
Currency translation differences	-	-	-	-	-	-	(18 642)	(18 642)	-	(18 642)
Issue of shares	25	99 962	-	-	99 962	-	-	99 987	-	99 987
Profit for the period	-	-	-	-	-	48 072	-	48 072	4 237	52 309
As at 31.12.2007	544	310 264	3 504	6 191	319 959	(8 856)	(23 585)	288 635	4 316	292 951

See accompanying notes to the consolidated financial statements

Selected Notes to the Financial Statements

(a) Information on the Activities of the AmRest Group

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

The principal activity of the Group, conducted by its subsidiaries in Poland, the Czech Republic, Hungary, Russia, Serbia and Bulgaria, is to operate, basing on franchise agreements, Kentucky Fried Chicken („KFC”), Pizza Hut, Burger King and Starbucks restaurants and additionally its own proprietary restaurants “Rodeo Drive” and “freshpoint”.

The Group’s operations are not significantly seasonal what makes financial results for consecutive periods able to compare.

On 27 April 2005, the shares of AmRest Holdings N.V. commenced trading on the Warsaw Stock Exchange (“WSE”) in Poland.

Prior to 27 April 2005, the Company was jointly owned and controlled by International Restaurant Investments, LLC (“IRI”) of the United States and Kentucky Fried Chicken Poland Holdings BV (“KFC BV”) of the Netherlands. Before the initial public offering each shareholder possessed a 50% ownership.

IRI is a wholly-owned subsidiary of American Retail Concepts, Inc. of the United States (“ARC”), whereas KFC BV was a wholly-owned subsidiary of Yum! Brands, Inc. (“YUM!”) of the United States.

In conjunction with the listing of the Company’s shares on the WSE, YUM! sold all of its shares in the Company and is no longer a shareholder and a related party. Moreover, IRI also sold part of its shares as a result of the Company’s IPO on the stock exchange.

On the 27 July 2007 International Restaurants Investments, LLC („IRI”) cut down its share in the Company’s initial capital to the level of 8,46%.

As at 31 December 2007 the Company’s largest shareholder with a 14,62% voting rights and ownership interest was BZ WBK AIB AM.

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

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On 8 March 2007, the Company concluded the development agreement with Burger King Europe GmbH (“BKE”), concerning the opening and operation of the Burger King restaurants in Poland. Burger King restaurants are operated under franchise agreements with Burger King Europe GmbH located in Zug, Switzerland which are to be signed for each particular restaurant separately once it opens. Each franchise agreement has a term of ten years, with an option of renewal by the Group for further ten years, subject to certain conditions being met as described in the agreements. The Group agrees to open and operate Burger King restaurants in strict accordance with the development schedule which includes the minimal numbers of openings in each development year as defined in the development agreement.

On 25 May 2007, the Group concluded agreements with Starbucks Coffee International, Inc. (“Starbucks”), concerning the cooperation on the development and operation of Starbucks stores in Poland, the Czech Republic and Hungary (“the agreements”). The agreements have a term ending on May 31, 2022, with an option to extend for an additional 5 years upon the fulfillment of certain conditions.

The parties established three separate companies, one for each of the 3 countries Poland, Czech Republic and Hungary. The above companies are the only entities with the right to develop and operate Starbucks stores in Poland, Czech Republic and Hungary during the term of the agreements with non-exclusive rights to certain institutional locations.

The Group contribute ultimately 82% and Starbucks 18% of the capital to all the companies. In the third and fourth year after the formation of all three companies Starbucks shall have the right and option to increase its participation by acquiring additional shares (up to 50%) in case of the Group’s failure in opening and operating a minimum number of Starbucks stores in Poland, Czech Republic and Hungary. In the fifth and ninth year Starbucks will have an unconditional option to increase its stake up to 50%. In case of a conflicting acquisition or a change of control of the Group, Starbucks will have the right to increase its participation in companies up to 100% by acquiring shares from the Group at the price agreed between the parties based on a valuation of the all three companies.

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

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As at December 31st 2007, the Group included the following subsidiaries:

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

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OOO AmRest***	Petersburg, Russia	Restaurant activity in Russia	AmRest Acquisition Subsidiary Inc.	100.00 %	July 2007
OOO KFC Nord	Moscow, Russia	No operations conducted currently	OOO AmRest	100.00 %	July 2007
OOO KFC South	Moscow, Russia	No operations conducted currently	OOO AmRest	100.00 %	July 2007
OOO Sistema Bistrego Pitania	Moscow, Russia	No operations conducted currently	OOO AmRest	100.00 %	July 2007
AmRest Kávészó Kft	Budapest, Hungary	Operation of coffee stores in Hungary	American Restaurants Sp. z o.o. Starbucks Coffee International, Inc	82.00 % 18.00 %	August 2007
AmRest D.O.O.	Belgrad, Serbia	Restaurant activity in Serbia	American Restaurants Sp. z o.o. ProFood Invest GmbH	60.00 % 40.00%	October 2007

* On the 30 of September the Group finished liquidation of Fried Chicken s.r.o. company and withdraw from the business register.

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

*** On the 23 of October 2007 OOO Pizza Nord changed its name to OOO AmRest

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As at December 31st 2007, the Group included the following affiliates, consolidated with the equity method:

Company	City and country of incorporation	Core business	Parent undertaking	Ownership interest and total vote	Initial investment
Worldwide Communication Services LLC	Nevada, USA	Marketing services for the Group	American Restaurants Sp. z o.o.	33.33 %	October 2003
Global Communication Services Sp. z o.o. *	Warsaw, Poland	Liquidation of the company	Worldwide Communication Services LLC	33.33 %	May 2002
Synergy Marketing Partners Sp. z o.o.	Warsaw, Poland	Marketing services for the Group	Worldwide Communication Services LLC.	26.66%	May 2002
Red 8 Communications Group Sp. z o.o. **	Warsaw, Poland	Marketing services for the Group	Worldwide Communication Services LLC	17.33%	May 2002
Synergy Marketing Partners s.r.o. in liquidation	Prague, Czech Republic	Marketing services for the Group	Synergy Marketing Partners Sp. z o.o.	24.00%	February 2005
SCM Sp. z o.o.	Chotomów, Poland	Delivery services for restaurants operated by the Group	American Restaurants Sp. z o.o.	45.00%	April 2005
SCM s.r.o.	Prague, Czech Republic	Delivery services for restaurants operated by the Group	SCM Sp.z o.o.	40.50%	March 2007

* On the 29 of August the Group finished liquidation of Global Communication Services Sp. z o.o and withdraw from the business register.

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

The Group's corporate offices are located in Wrocław, Poland. As of 31 December 2007 the restaurants operated by the Group are located throughout Poland, the Czech Republic, Hungary, Russia, Bulgaria and Serbia.

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

Statement on the Accounts' Compliance with the International Financial Reporting Standards

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

(c) Seasonality of Production and Markets

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

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

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

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

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

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

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

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

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

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

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

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

(g) Dividend Payment

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

(h) Segment Reporting

Geographical Segments

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

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

The operations of the Group's restaurants represent a single business segment. The restaurants' products and customers can be described in a similar way. Business risks and operating margins are similar for all types of operated restaurants.

Inter-segment pricing is determined on an arm's length basis.

Geographical segment data for the period ended 31 December 2007 and comparable period ended 31 December 2006 is as follows:

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	<i>Poland</i>	<i>Czech</i>	<i>Russia</i>	<i>Unalloca_ ted</i>	<i>Total</i>
12 months ended 31 December 2007					
Revenue from external customers	553 692	192 974	57 332	49 357	853 355
Inter-segment revenue	-	-	-	-	-
Operating profit/segment result	42 376	19 939	4 155	(3 051)	63 419
Finance income					7 964
Finance costs					(10 183)
Share of profit of associates					1 141
Income tax					(13 978)
Profit for the period					48 072
Segment assets	243 933	122 470	67 864	-	434 267
Investments in associates	2 490	-	-	-	2 490
Unallocated corporate assets				153 199	153 199
Consolidated total assets					589 956
Segment liabilities	82 507	37 440	12 720		132 667
Unallocated corporate liabilities				12 042	12 042
Consolidated total liabilities					144 709
Depreciation	29 087	11 758	2 859	2 328	46 032
Amortization	4 803	594	(139)	491	5 749
Capital investments	54 554	20 192	63 272	142 711	280 729
Impairment of fixed assets	973	-	-	235	1 208
3 months ended 31 December 2007					
Revenue from external customers	156 042	51 937	28 871	14 776	251 626
Inter-segment revenue	-	-	-	-	-
Operating profit/segment result	5 954	2 296	2 328	(1 415)	9 163
Finance income					7 275
Finance costs					(5 322)
Share of profit of associates					435
Income tax					(4 276)
Profit for the period					7 057
Segment assets	243 933	122 470	67 864	-	434 267
Investments in associates	2 490	-	-	-	2 490
Unallocated corporate assets				153 199	153 199
Consolidated total assets					589 956
Segment liabilities	82 507	37 440	12 720		132 667
Unallocated corporate liabilities				12 042	12 042
Consolidated total liabilities					144 709
Depreciation	8 097	4 105	1 269	968	14 439
Amortization	765	132	(284)	106	719
Capital investments	16 689	9 989	3 917	(30 626)	(31)
Impairment of fixed assets	959	-	-	-	959

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	<i>Poland</i>	<i>Czech</i>	<i>Russia</i>	<i>Unalloca- ted</i>	<i>Total</i>
12 months ended 31 December 2006					
Revenue from external customers	435 718	172 247	-	21 361	629 326
Inter-segment revenue	-	-	-	-	-
Operating profit/segment result	32 638	12 984	-	(1 127)	44 495
Finance income					8 671
Finance costs					(4 847)
Share of profit of associates	637	-	-	-	637
Income tax					(10 314)
Profit for the period					38 583
Segment assets	208 200	90 921	-	-	299 121
Investments in associates	1 221	-	-	-	1 221
Unallocated corporate assets	-	-	-	20 647	20 647
Consolidated total assets					320 989
Segment liabilities	55 636	20 266	-	-	75 902
Unallocated corporate liabilities	-	-	-	87 223	87 223
Consolidated total liabilities					163 125
Depreciation	26 377	10 751	-	357	37 485
Amortization	5 143	663	-	302	6 108
Capital investments	37 039	15 796	-	28 583	81 418
Impairment of fixed assets	1 267	1 566	-	284	3 117
3 months ended 31 December 2006					
Revenue from external customers	121 038	49 526	-	11 434	181 998
Inter-segment revenue	-	-	-	-	-
Operating profit/segment result	7 625	5 278	-	599	13 502
Finance income					2 248
Finance costs					(910)
Share of profit of associates	107	-	-	-	107
Income tax					(4 750)
Profit for the period					10 143
Segment assets	208 200	90 921	-	-	299 121
Investments in associates	1 221	-	-	-	1 221
Unallocated corporate assets	-	-	-	20 647	20 647
Consolidated total assets					320 989
Segment liabilities	55 636	20 266	-	-	75 902
Unallocated corporate liabilities	-	-	-	87 223	87 223
Consolidated total liabilities					163 125
Depreciation	9 379	2 728	-	59	12 166
Amortization	1 170	150	-	286	1 606
Capital investments	14 327	5 173	-	1 899	21 399
Impairment of fixed assets	356	74	-	284	714

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

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(i) Events Subsequent to the Balance-Sheet Date

- On the 21 February 2007 The Management Board of AmRest Holdings N.V. signed of Letter of Intent between AmRest and Burger King Europe GmbH (“BKE”) regarding Bulgarian market

Both Parties have agreed to enter into negotiations intended for BKE to grant AmRest a Development Agreement and Franchise Agreements thereunder in the country of Bulgaria. The negotiations will include the specific terms and conditions that will be mutually acceptable to both parties as it relates to AmRest developing and operating Burger King Restaurants in Bulgaria.

- On the 27 February 2007 The Management Board of AmRest Holdings N.V., informed that AmRest signed the final agreements, the Asset Purchase Agreement and the Termination Fee Agreement, regarding 9 Rostik’s–KFC restaurants operated by OOO Tetra in Russia.

The total transaction price including both agreements amounts to USD 12 million. The Termination Fee Agreement assumes that the amounts regarding particular restaurants will be made through separate escrow account and final payments will be released once the lease rights, regarding particular restaurants, are transferred from Tetra to AmRest.

- On the 27 February 2007 The Management Board of AmRest Holdings N.V. informed that the negotiations regarding the purchase of equity interest in Kroshka-Kartoshka, the quick service restaurant chain, has been ended. As a conclusion, based on performed due diligence review, both parties were not able to meet their expectations regarding the final structure and key parameters of the transaction and it has been mutually agreed that the further negotiations will not be continued.

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

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

Pursuant to the information available to the Company, as at the date of release of this quarterly report, that is February 29th 2008, the following shareholders submitted information on holding directly or indirectly (through subsidiaries) 5% or more of the total vote at the General Shareholders Meeting of AmRest Holdings N.V. (“AmRest”)

Name of the shareholder	Number of shares	Share in equity %	Number of votes	Share in total number of votes %
BZ WBK AIB AM	2 071 198	14,62 %	2 071 198	14,62 %
BZ WBK AIB TFI	1 201 827	8,48 %	1 201 827	8,48 %
IRI LLC	1 199 420	8,46 %	1 199 420	8,46 %
ING Nationale – Nederlanden OFE	750 000`	5,29 %	750 000	5,29 %
Michael Tseytin	720 016	5,08 %	720 016	5,08 %
Pioneer Pekao IM	711 921	5,02%	711 921	5,02%
Pioneer Pekao TFI	710 058	5,01%	710 058	5,01%

After the date of release of the previous quarterly report (published on 14 November 2007) the Company became aware of the following changes in the structure of significant shareholdings in AmRest:

On 28 January 2008, customers of Pioneer Pekao Investment Management S.A. became holders of a total of 711 921 shares in AmRest, which constitutes 5.02% of the Company’s initial capital and entitles them to 711 921 votes, i.e. 5.02% of the total number of votes at the Company’s Meeting of Shareholders. Prior to the acquisition, Pioneer Pekao Investment Management S.A. customers held a total of 601 921 shares in AmRest, which constituted 4.25% of the Company’s initial capital and entitled them to a total of 601 921 votes, i.e. 4.25% of the total number of votes at the Company’s Meeting of Shareholders. Pioneer Pekao IM manages assets which include the funds of Pioneer Pekao TFI. Pursuant to the AmRest best knowledge (RB 11/2008 dated 30 January 2008) Pioneer Pekao TFI currently possess 5.01% of AmRest initial capital.

(k) Changes in Future and Contingent Liabilities

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

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

AmRest Holdings N.V.

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

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

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

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

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

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

1) Earnings per Ordinary Share

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

	12 months ended December 31 2007	3 months ended December 31 2007	12 months ended December 31 2006	3 months ended December 31 2006
Net profit attributable to shareholders of the parent(PLN '000)	48 072	7 493	38 583	10 143
Ordinary shares as at January 1st/April 1 st	13 500 000	13 500 000	13 500 000	13 500 000
Effect of shares issued	223 535	-	-	-
Effect of stock options granted in 2005	57 520	57 520	36 130	36 130
Effect of stock options granted in 2006	32 974	32 974	-	-
Weighted average number of ordinary shares as at December 31	13 814 029	13 590 494	13 536 130	13 536 130
Basic earnings per share (PLN)	3,50	0,51	2,86	0,76
Diluted earnings per share (PLN)	3,47	0,51	2,85	0,75