AmRest Holdings SE Capital Group

Report for the First Half of 2009

31 August 2009

(translation only)

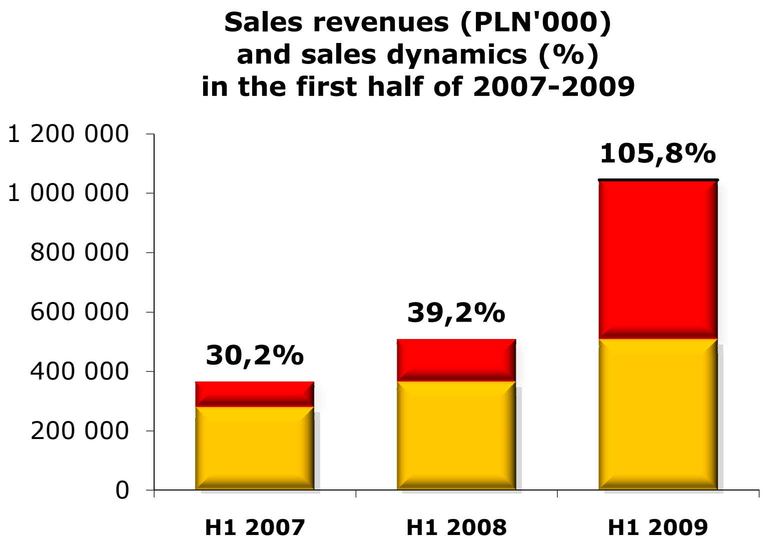
Wszystko Jest Możliwe!

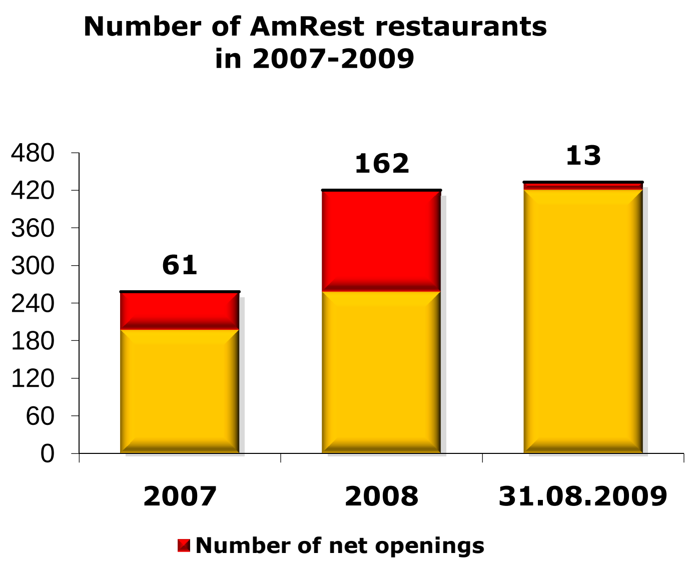
AmRest Holdings SE Report for the First Half of 2009

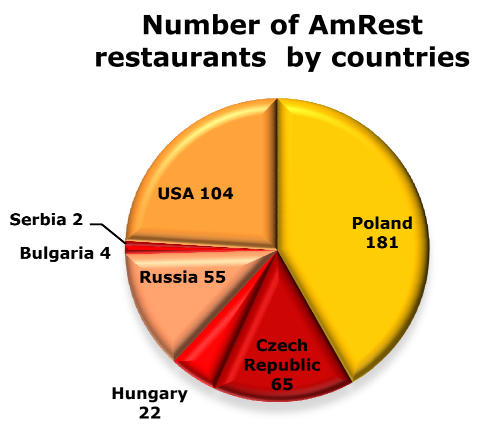
Part I
Directors' Report

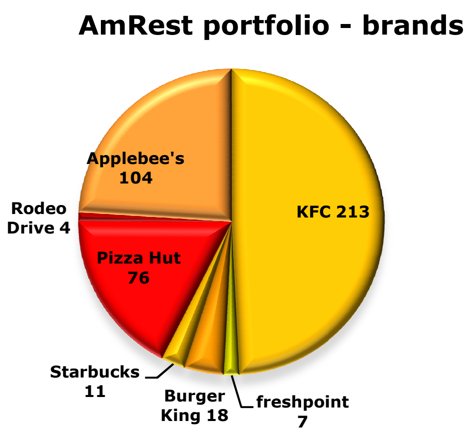
Content:

1. Selected financial and operational results of AmRest – summary









2. Description of the Company

2.1.Basic services provided by the Group

AmRest Holdings SE ("AmRest") manages 7 restaurant brands in 7 countries of Central and Eastern Europe, and North America. Every day over 18 thousand AmRest employees deliver craveble taste and exceptional service at affordable prices, in accordance with our corporate culture - "Wszystko Jest Możliwe!".

AmRest manages its restaurants in two restaurant sectors: Quick Service Restaurants (QSR) – KFC, Burger King, Starbucks and freshpoint, and Casual Dining Restaurants (CDR) – Pizza Hut, Applebee's and Rodeo Drive. In the third quarter of 2008 the Company's portfolio was enlarged to include a new brand, Applebee's, and a new market – the United States of America, was added to Poland, the Czech Republic, Hungary, Russia, Serbia and Bulgaria.

AmRest restaurants provide on-site catering services, take away services, drive-in services at special sales points, and deliveries for order 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 and Applebee's chain standards, and dishes prepared based on proprietary ideas (freshpoint and Rodeo Drive).

AmRest has business partnership with several of the world's franchisors and, for the KFC and Pizza Hut brands, is the franchisee of Yum! Brands Inc. Burger King restaurants also operate on a franchise basis following from 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 licences to develop and manage Starbucks restaurants in Poland, the Czech Republic and Hungary. Applebee's restaurants also operate on a franchise basis, in accordance with the agreement with Applebee's International, Inc. Rodeo Drive and freshpoint are AmRest's proprietary brands, therefore sales in those restaurants are not encumbered with franchise fees.

a) Quick Service Restaurants (QSR) segment

KFC is a quick service restaurant network serving various dishes based on the unique flavour of chicken. The largest part of KFC products sold are sets comprising various pieces of chicken in the traditional Kentucky version, based on the original Colonel Sanders recipe, and in the hot version - Hot&Spicy. Hot Wings are also a product which is characteristic for KFC. KFC also offers fresh salads, which vary depending on the season, cakes and desserts, hot and cold drinks. The chicken prepared in KFC is freshly marinated and crumb-coated every day at the restaurant, which gives the highest quality flavour and quality of the served dishes. Suppliers of chickens to KFC meet the highest EU standards and products are delivered to each restaurant many times during the week.

The first half of 2009 was very successful for KFC AmRest. Facing global financial situation, KFC restaurants strengthened product offer in price category. New, price competitive compositions were offered to KFC guests. Unique B-Smart offer enabled to choose among four different sets of most popular chicken items along with additional on-side product.

During the first half of 2009, free refill of Pepsi' family drink was introduced in KFC restaurants. Free refill offer gained a lot of interest among guests and currently is one of the most important brand differentiator. Beverage offer was also enhanced by new KFC product – „Mojito", unique non-alcohol drink that has enjoyed great popularity since the introduction.

First six months of 2009 were also a continuation of several innovative initiatives started in previous years, including product offer enhancement, work optimization and process simplification to provide the best service to the guests. AmRest actions also include further growth of KFC brand. 11 restaurants were opened in 2009. New initiatives on recruitment field, operational enhancement together with marketing campaign are solid foundations for future growth of KFC AmRest.

KFC is one of the largest partners of the Corporate Social Responsibility foundation. 1% of its profits each month is earmarked for charity purposes related to improving the lives of the most underprivileged children in North-West Poland.

AmRest currently operates 213 KFC restaurants, 102 in Poland, 53 in Czech Republic, 16 in Hungary, 38 in Russia, 2 in Serbia and 2 in Bulgaria.

Burger King comprise over 11 200 restaurants in over 74 countries throughout the world. About 90 % of all BURGER KING® restaurants are owned by independent franchisees. Every day, over 11 million guests visit a Burger King restaurants all over the world.

AmRest is very effective at reaching the target group of purchasers from the quick service restaurant sector (men between 18 and 35) by offering larger and tastier burgers, which are flame grilled. In accordance with the slogan "Have It Your

Way”, Burger King customers may make up their own burgers according to their fancy and culinary tastes. BURGER KING® offers a rich menu – from the brand’s flag product, WHOPPER®, to a wide assortment of salads, chicken sandwiches, King Wings, pieces of chicken and desserts.

In H1 2009, Burger King AmRest introduced several new product promotions that were well received by Burger King guests, including a competitive value meal, a premium chicken sandwich, as well as several exciting variations of Burger King’s flagship burger, the WHOPPER®. In addition, a new menu core item, Fusion desserts, was launched and has been permanently included in restaurant offer.

Currently, AmRest operates 18 Burger King restaurants, 14 in Poland, 2 in Czech Republic, and 2 in Bulgaria.

Starbucks is a global leader in the coffee sector and operates over 14 thousand stores. AmRest Coffee (a Joint Venture between Starbucks Coffee International and AmRest Holdings) currently operates Starbucks stores in Poland and Czech Republic. AmRest’s experience in Central and Eastern Europe, the high quality of its operations, a developed network of suppliers and the global domination of Starbucks in the fast growing coffee segment constitute a unique synergy which AmRest Coffee uses introducing the Starbucks brand on Central and East European markets. AmRest Coffee companies were established on three markets taken into consideration in the development agreement – Czech, Polish and Hungarian.

The first half of 2009 was highlighted by the widely anticipated launch of Starbucks on the Polish market. First store opening, by Nowy Świat in Warsaw, gained a lot of interest from journalist. One week later, second opening in the city of Wroclaw took place. Both openings were very well regarded and generated favorable interest from the media and local community. Starbucks Experience – the combination of exceptional coffee, legendary customer service, and relaxing atmosphere– had finally made it to Poland.

During the first half of 2009, the primary focus of operations was on successfully launching the brand into Poland and handling the high customer volumes in store associated with the opening. In the Czech Republic, meanwhile, the ninth Starbucks store was opened in that country, as the brand continued its steady development. AmRest Coffee relies on the passion and energy of its "Partners" (Starbucks name for its employees) to actively engage with their local community, by supporting local youth education efforts.

In subsequent periods, AmRest Coffee will continue development of Starbucks in both Poland and Czech, with upcoming but as yet-unannounced time frame for Hungary, focusing on identification of favorable locations and achieving continually improving economies of scale. Currently AmRest Coffee operates 11 Starbucks stores, 9 in the Czech Republic and 2 in Poland.

The network of freshpoint restaurants offers its customers a wide selection of excellent sandwiches straight from the oven, prepared to the order and in the presence of the customer. It is a fresh and healthy alternative for having a meal away from home. freshpoint offers a range of more than ten types of sandwiches with a choice of four types of bread filled to the top with juicy meats, fresh and crunchy vegetables and excellent sauces.

Facing customer expectations, in the first half of 2009, sandwich product offer was enhanced by new bread type – tortilla. New compositions with this product gained great popularity among guests and were permanently included in freshpoint offer. Emphasizing healthy nutrition style more of our products have been grilled. In the first half of 2009 Fresh&Grill promotion was highly recognized by customers. In beverage category, popular in spring and summer season, smoothie type drinks, were reintroduced to freshpoint menu. All freshpoint products are items from sandwiches, salads&smoothies category.

The freshpoint restaurant network consists of 6 restaurants in Warsaw and 1 in Wrocław. AmRest decided to discontinue the brand's further development until the results of the existing restaurants achieve a satisfactory level and until the new markets and new AmRest, Burger King and Starbucks brands achieve their critical mass. Despite the fact, that freshpoint results Has improved Since the beginning of 2009, they still haven't reached satisfactory level. Next months priority for freshpoint is further improvement of financial results.

b) Casual Dining Restaurants (CDR)

Applebee's Neighborhood Grill & Bar is the largest casual dining chain in the world, featuring neighborhood-themed restaurants that deliver outstanding American fare at an excellent value, in a comfortable, welcoming atmosphere. The décor features memorabilia from local schools, organizations, historical events and area sports teams, and restaurants support their communities via local marketing and charitable efforts.


During the first half of 2009, Applebee's remained focused on value and food quality. New products were frequently added to the line-up to offer more choice to the Guests. The most popular items were offered in unique combos emphasizing the quality and the value for the good price.

In addition, Applebee's launched new items to the menu offering new line of fresh, ground beef burgers, variety of flavors of mini sandwiches and speciality salads. New beverages promoted in Applebee's restaurants were also very popular among Guests.

There are currently more than 1,900 Applebee's in the world, with about 80% franchise-owned. AmRest currently operates 104 Applebee's in eight U.S. states.

Pizza Hut is one of the largest chains of casual dining restaurants in Central and Eastern Europe. It is inspired by Mediterranean cuisine, and promotes the idea of sharing excellent food with friends and relatives in a carefree atmosphere. The brand strategy summarized in the slogan "Excellent product, exceptional hospitality, each time" defines the top priorities of the brand.

In the first half of 2009, Pizza Hut menu was enhanced by the new main dishes category. New, third type of pizza - Neapolitana, was also introduced in Pizza Hut restaurants. Seven compositions of new pizza, prepared with classic, Italian ingredients gained great popularity among guests and has been permanently included in Pizza Hut offer. Along with success of new items, traditional pan pizzas, salad bar, and a wide range of freshly prepared pastas (among other things, MoltoBene), baked pastas, fresh made lemonade and creamy mini-desserts were still very popular.

First months of 2009 has been also a continuation of "Hospitality" program, that introduces new principles for recruiting and training. The new role definition of customer service employees, advanced service techniques and a program for assessing and promoting hospitality and revision of service standards are only a few of the basic elements of the project that are aimed at building a long-term competitive advantage in the customer service area.

Brand activities in first months of the year also include appearance in TV communication platform with the brand image campaign focused on menu diversity and casual dining atmosphere.

During the first half of 2009, 3 restaurants were added to Pizza Hut AmRest chain, Am Rest currently operates Total of 72 restaurants, 51 in Poland, 15 in Russia and 6 in Hungary.

Rodeo Drive (American Bar&Grill) is a restaurant for the true adventurers, who are looking for exceptional service and a unique atmosphere. Rodeo Drive is a place where you can eat lunch, hold a business meeting and an evening party with friends and family. The décor of the restaurant refers to the tradition of the Wild West – wooden benches, tables, beams on the ceiling, stone elements on the walls, "ranch" gadgets: hats, saddles, cart wheels. In our 4 restaurants guests may taste dishes from the Wild West, from magnificent entrées, e.g. Texan Wings, through steaks, burgers, to desserts.

The first half of 2009 passed by at Rodeo Drive under the motto of grilling and the promotions of the most popular products. "Play with fire" promotion included famous grilled Rodeo Drive steaks and new menu items, along with desserts, gained great popularity. In addition, Sheriff's new menu promotion, and unique in Polish and Czech market Blackened Burger was developed and, as expected, gained great popularity among guests. New menu items that enjoyed the most interest, will be included in restaurant offer.

Currently, Rodeo Drive restaurants are operating in Warsaw, Wrocław, Poznań and Brno.

2.2. Structure of revenues

The first half of 2009 was another period of increase in sales revenues for the AmRest Group as revenues grew by 105,8% (PLN 1 044 426 thousand in 2009 compared with PLN 507 580 thousand in 2008). High sales dynamics were achieved mainly thanks to a systematic increase in sales of the already existing restaurants in Europe and sales revenues earned by the Applebee's chain in the United States of America, whose results were consolidated for the first time in the Group results in the third quarter of 2008. In the first half of 2009 sales in the United States amounted to PLN 413 356 thousand.

During the first six months of 2009 restaurants operating in United States generated 39.6% of total AmRest Group sales. In the same period AmRest restaurants operating in Poland generated 34.8% of total Group sales.

Table: Structure of AmRest sales by country

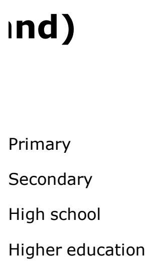
COUNTRY	H1 2009		H1 2008	
	PLN'000	share (%)	PLN'000	share (%)
Poland	363 878	34,8%	320 805	63,2%
USA	413 356	39,6%	-	-
Czech Republic	141 649	13,6%	100 665	19,8%
Russia	86 908	8,3%	60 554	11,9%
Other	38 635	3,7%	25 558	5,1%
Total	**1 044 426**	**100,0%**	**507 582**	**100,0%**

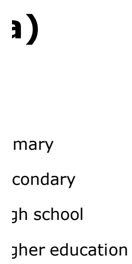
The seasonality of sales and inventories of the AmRest Group is not significant which is typical of the whole restaurant industry. On Central and East European markets, restaurants have lower sales in the first half of the year which is mainly the result of a smaller number of days of sale in February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

2.3. Our Guests

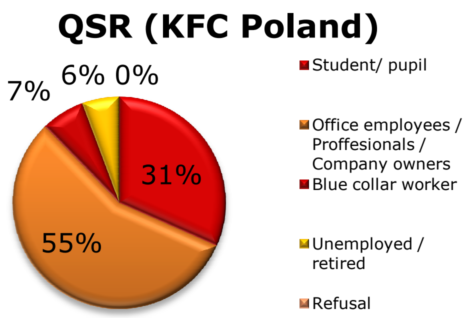
AmRest products are directed to a wide circle of individual clients via a chain of restaurants located in Poland, the Czech Republic, Hungary, Russia, Serbia, Bulgaria, and the USA, mainly located in cities or in their vicinity. The graphs below show client profiles by education, occupation and gender in the QSR and CDR segment on the basis of KFC AmRest and Pizza Hut AmRest restaurants operating on the Polish market.

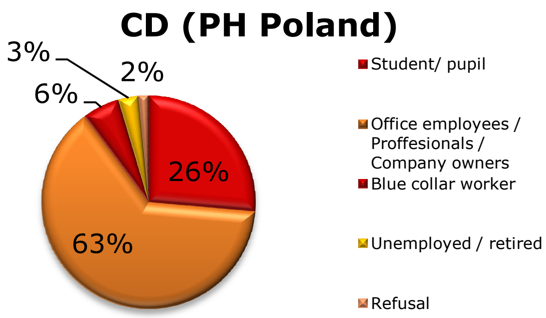
a) Education



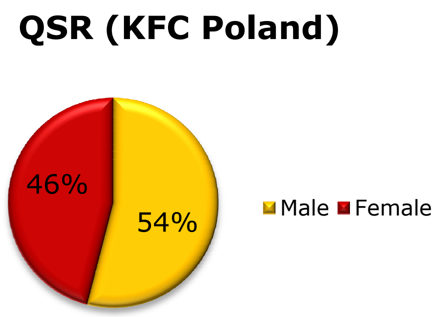


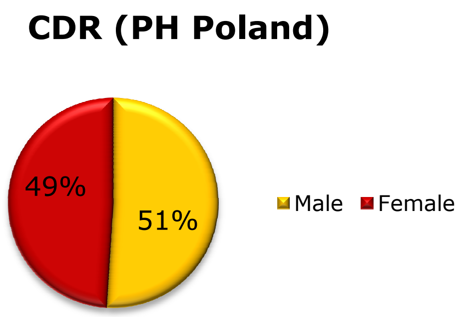
b) Occupation





c) Gender





2.4.Supply Chain

In the first half of 2009 the consumer price index in Europe significantly exceeded inflation rate mainly as a result of an increase in the food prices. Increase in food prices in the region (mainly in Poland as) was caused by local currencies depreciation and improved export attractiveness, as well as change in purchasing structure, mainly in Western Europe where recession caused replacing beef with chicken.

Despite this unfavorable situation, AmRest managed to keep food prices on the fixed level which was possible was enabled by:

- protection of foreign exchange rate risk for products imported in 2009
- decrease in cheese and food oil prices
- improvement in effectiveness on the level of chicken production through introducing new technologies at main suppliers
- increase in value of food purchase in Poland for Czech, Hungarian, Bulgarian and Russian market combined with setting PLN fixed prices.

AmRest priorities for the second half of 2009 AmRest include effectiveness improvement in chicken production, optimalization of the purchase process and development of food suppliers and producers network.


List of largest AmRest suppliers:

1. McLane – distributor in Poland
2. Agropol Food – supplier of chicken products in the Czech Republic
3. Drobimex – supplier of chicken products in Poland
4. Quantum Food LLC – beef supplier in US
5. Dachster E.S.T. – distributor in the Czech Republic
6. Mayer Germany – products of Burger King

7. Pepsi – drinks
8. Vandermortele – shortening
9. Cargill – oils in US
10. Huhtamaki – packaging

3. Management and Supervisory bodies of the Company

3.1. Composition of the Management Board and the Supervisory Board

On 8 May 2009 member of the AmRest Supervisory Board, Mr. Michael Tseytin, resigned from his function effective 8 May 2009 and without disclosing the reason. At the same time AmRest informed that the constitution of the Supervisory Board will be completed during the Annual Shareholders Meeting on 22 May 2009 (RB 24/2009).

During the General Shareholders' Meeting of AmRest which took place on 22 May 2009 resolutions to complete the constitution of the Supervisory were passed, Mr. Leszek Kasperski was appointed Supervisory Board Member. Previously, AmRest informed about the motion received from one of the Company's shareholders, BZ WBK AIB Asset Management S.A., with its registered head office in Poznan, to appoint Mr. Leszek Kasperski Supervisory Board Member. Details are included in RB 23/2009 dated 4 May 2009.

Management Board

The Management Board of AmRest comprises:

Wojciech Mroczyński

Jacek Trybuchowski

Supervisory Board

The Supervisory Board of AmRest comprises:

Henry McGovern

Donald Macintosh Kendall Sr.

Donald Macintosh Kendall Jr.

Przemysław Aleksander Schmidt

Jan Sykora

Leszek Kasperski

4. Information important for the assessment of the Company’s personnel, economic and financial position as well as its financial result

4.1. Important personnel changes

To improve AmRest operational effectiveness and continuously implement Company’s strategy, starting January 2009 new organizational structure, which establishes two main areas: Quick Service Restaurants (QSR) and Casual Dining Restaurants (CDR) has been introduced. Following the change, the position of QSR Chief Operating Officer has been filled by Drew O’Malley, previously Managing Director of AmRest Coffee Sp. z o.o. (Starbucks). At the same time Wojciech Mroczyński, so far responsible for driving long term operational strategy for all brands, has been appointed to CDR Chief Operating Officer position. Wojciech Mroczyński remained a Board Member of AmRest.

4.2.The Company's results and the structure of its balance sheet

Table: Basic financial data of AmRest (first half of 2009-2007)

in PLN thousand, unless otherwise stated	H1 2009	H1 2008	H1 2007
Sales	1 044 426	507 582	364 660
Operating profit before amortization and depreciation	90 096	61 175	54 777
Operating margin after amortization and depreciation	*8,6%*	*12,1%*	*15,0%*
Operating profit (loss) (PLN'000)	36 450	32 306	32 230
Operating margin (EBIT margin)	*3,5%*	*6,4%*	*8,8%*
Profit (loss) before tax (PLN'000)	32 396	32 049	30 723
Gross margin	*3,1%*	*6,3%*	*8,4%*
Net profit (loss) (PLN'000)	25 462	23 794	24 829
Net profitability	*2,4%*	*4,7%*	*6,8%*
Equity	413 971	294 914	184 091
Return on equity (ROE)	*13%*	*16%*	*29%*
Total assets	1 129 100	649 811	339 862
Return on assets (ROA)	*5%*	*8%*	*15%*

Definitions:

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

Table: Liquidity analysis (first half of 2009-2007)

in PLN thousand, unless otherwise stated	H1 2009	H1 2008	H1 2007
Current assets	177 710	102 852	65 230
Inventories	19 763	9 691	8 671
Short-term liabilities	259 640	172 567	85 227
Quick ratio	*0,61*	*0,54*	*0,66*
Current ratio	*0,68*	*0,60*	*0,77*
Cash and cash equivalents	59 453	35 583	39 068
Cash ratio	*0,23*	*0,21*	*0,46*
Inventory turnover (in days)	*3,55*	*3,83*	*4,21*
Trade and other receivables	69 885	29 763	10 412
Trade receivables turnover (in days)	*12,22*	*11,55*	*5,47*
Operating ratio (cycle) (in days)	*15,78*	*15,38*	*9,68*
Trade and other payables	235 374	116 257	75 679
Trade payables turnover (in days)	*44,12*	*40,95*	*38,43*
Cash conversion ratio (in days)	*(28,35)*	*(25,57)*	*(28,75)*

Definitions:

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

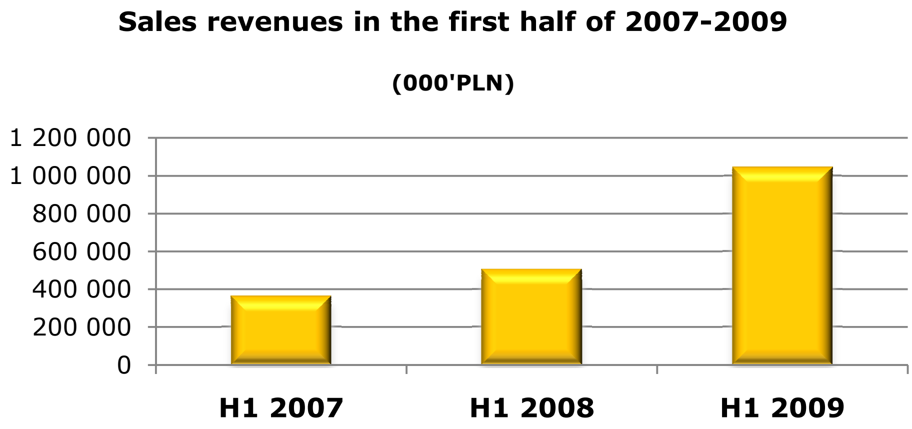
Table: Debt analysis (first half of 2009-2007)

in PLN thousand, unless otherwise stated	H1 2009	H1 2008	H1 2007
Current assets	177 710	102 852	65 230
Non-current assets	951 390	546 959	274 632
Trade and other receivables	69 885	29 763	10 412
Liabilities	715 129	354 897	155 771
Long-term liabilities	455 489	182 330	70 544
Debt	456 888	209 773	67 894
Share of inventories in current assets (%)	*11,1%*	*9,4%*	*13,3%*
Share of trade receivables in current assets (%)	*39,3%*	*28,9%*	*16,0%*
Share of cash and cash equivalents in current assets (%)	*33,5%*	*34,6%*	*59,9%*
Fixed assets to equity ratio	*0,44x*	*0,54x*	*0,67x*
Total debt ratio	*0,63x*	*0,55x*	*0,46x*
Long-term debt ratio	*1,10x*	*0,62x*	*0,38x*
Liabilities to equity ratio	*1,7x*	*1,2x*	*0,8x*

Definitions:

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

Sales revenue of AmRest in the first half of 2009 amounted to PLN 1 044 426 thousand and increased by 105,8% compared with the first half of 2008. The increase in sales was achieved mainly due to sales revenue earned by the chain of restaurants in the USA and a systematic increase in sales by the existing restaurants in Europe. Sales of American restaurants are accounted for in the Group’s results as of the third quarter of 2008. Sales in the United States of America in the first and second quarter of 2009 amounted to PLN 413 356 thousand in total. The Company’s restaurants operating in Europe earned sales revenue of PLN 631 070 thousand in the first half of 2009 - an increase of 24.3% compared with the first half of 2008.



The sales results in the first half of 2009 also account for the positive impact of the appreciation in the exchange rates against the PLN. During the first half of 2009 appreciation of the American dollar against PLN (of ca. 47.1%), Czech crown against the Polish zloty (of ca. 18.9%) and Russian ruble against the Polish zloty (of ca. 6.3%) compared with the corresponding period of 2008.

In the first half of 2009, the Group's gross profit on sales amounted to PLN 94 214 thousand and increased by 41.1% compared with the first half of prior year. The drop in the gross profit margin in the first half of 2009 compared with the corresponding period of 2008 was caused by the consolidation of the US business which has a different cost structure. The Group's operations in the US are characterized by higher labor costs and other operating expenses compared to sales, which had not been accounted for in the prior year. The gross profit margin on sales in the USA amounted to 5.8% in the first half of 2009 compared to 11.1% in Europe.

In the first half of 2009, the Company noted an operating profit of PLN 36 450 thousand. This result has been impacted by one-off impairment of fixed assets in amount of PLN 8 466 thousand. This impairment relates to unprofitable restaurants operating in Europe. Furthermore, described above addition of American business caused the operating gross margin decrease in the first half of 2009 to 3.5%, compared to 6.4% in corresponding period of 2008.

EBITDA margin in the first half of 2009 amounted to 8.6% comparing to 12.1% in the corresponding period of the prior year. Margin decrease is mainly linked with the start-up costs related to the Company's development in Europe (introducing new restaurant brands, Burger King and Starbucks, and new markets expansion) and addition of US business which features relatively lower margins.

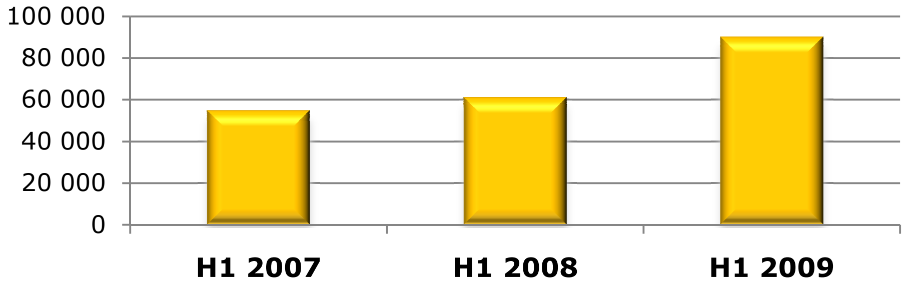
In the first half of 2009 EBITDA margin in Europe was 11.6% comparatively to 4.1% in US. The highest EBITDA margin was generated on the Company's core markets, Poland and Czech Republic, and reached 14.7% and 10.9% respectively.

In connection with planned acquisition of remaining 20% of shares in AppleGrove Holdings LLC the Company overestimated liabilities resulting from this transaction. As a result of positive correction of the liability, financial income increased by PLN 11 736 thousand. The results of first half of 2009 were also negatively impacted by final write-off resulting from the sale of Sfinks shares, acquired in 2008, in the amount of PLN 2 527 thousand.

The consolidated net profit in the first half of 2009 amounted to PLN 26 316 thousand and increased by 15.4% comparing to corresponding period of 2008 (PLN 22 805 thousand).

EBITDA in the first half of 2007-2009

(000'PLN)



The relative decrease in short-term liabilities led to a rise in in the quick and current ratios compared with the first half of 2008. These ratios amounted respectively to 0.61 and 0.68 compared to 0.54 and 0.60 as the end of first half of 2008. Cash ratio increased to 0.23 comparing to 0.21 at the end of first half of 2008.

Despite a significant increase in inventories at the end of the first half of 2009 (resulting from adding the American business) the inventory turnover ratio decreased slightly (3.5 days compared with 3.8 days as at the end of first half of 2008). The small increase in the cash conversion ratio compared with the end of the first half of 2008 enabled the Group to finance current operations to an even larger extent with trade credit.

The above liquidity ratios are at a level that ensure uninterrupted operation and their relatively low levels relate to specifics of restaurant business. Generation of excess cash on a current basis allows efficient servicing of the existing debt and financing planned investment expenditure.

Equity increased from PLN 294 914 thousand as at the end of first half of 2008 to PLN 413 971 thousand. Debt to equity increased – from 0.7 as at the end of the first half of 2008 to 1.1 as at the end of first half of 2009. The net debt to EBITDA ratio amounted to 2.2 as at the end of first half of 2009. Debt increase in the first half of 2009 compared with the first half of 2008 is linked with continuous and dynamic growth of the Group which is financed mainly from additional bank loans.

Total assets as at the 30 June 2009 amounted to PLN 1 129 100 thousand and increased by 73.8% compared with the balance as at 30 June 2008. The Company's total liabilities amounted to PLN 715 129 thousand and increased by 101.5% compared with the 30 June 2008.

4.3.Description of key domestic and foreign investments

Table: Purchases of non-current assets in AmRest Holdings SE (first half of 2009-2008)

Value in PLN'000		H1 2009	H1 2008
Intangible assets including:			
	Trademarks	-	-
	Favourable lease agreements	-	-
	Licences for the use of Pizza Hut and KFC	2 475	2 231
	Goodwill	-	38 037
	Other intangible assets	2 273	2 214
Fixed assets including:			
	Land	-	-
	Buildings	16 056	34 852
	Equipment	14 427	15 306
	Vehicles	-	53
	Other (in consideration of fixed assets under	27 967	12 881
Total		**63 198**	**105 574**

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

In the first half of 2009 investments were financed mainly with operating cash flows and a bank loans. In 2009 total capital expenditure of AmRest amounted to PLN 63 198 thousand. The above amount comprises acquiring fixed assets of PLN 58 594 thousand and intangible assets of PLN 4 604 thousand.

Table: Number of AmRest Holdings SE restaurants

a) QSR

	Dated as at:	31.08.2009.	31.12.2008.	31.12.2007.
KFC	Poland	102	94	85
	Czech	53	53	44
	Hungary	16	15	13
	Russia	38	41	22
	Bulgaria	2	2	1
	Serbia	2	1	1
Freshpoint	Poland	7	7	7
Burger King	Poland	14	9	4
	Czech	2	1	0
	Bulgaria	2	2	0
Starbucks	Poland	2	0	0
	Czech	9	8	0
	QSR Total	**249**	**233**	**177**

b) CDR

	Dated as at:	31.08.2009.	31.12.2008.	31.12.2007.
Pizza Hut	Poland	53	55	50
	Hungary	6	7	9
	Russia	17	17	18
Rodeo Drive	Poland	3	3	3
	Czech	1	1	1
Applebee's	USA	104	104	0
CDR Total		**184**	**187**	**81**

c) AmRest Group total

	31.08.2009.	31.12.2008.	31.12.2007.
Openings	26	170	72
Closings	13	8	11
Net openings	13	162	61
Total number of restaurants	**433**	**420**	**258**

As at 31 August 2009 AmRest operated 433 restaurants total (420 as at 31 December 2008). In 2009 AmRest opened 23 restaurants and closed 13.

The closures resulted mainly from reorganization of the Pizza Hut brand in Poland and the conversion of Multi Brands (KFC and Pizza Hut operating in one location) into independent KFC and/or Pizza Hut restaurants.

In 2009 the first Starbucks stores were opened in Poland (a total of 2), also another Burger King restaurant in Czech Republic (currently 2 sites) and one restaurant in Serbia (currently 2 sites). Additionally, as a result of Russian portfolio restructuring, one acquisition in Moscow was annulled and one unprofitable restaurant was closed, which resulted in reducing number of RostiksKFC restaurants in Russia by total of 5.

The most of restaurants opened in the period discussed above, are located in Poland (19) and also in Russia (3), in Czech Republic (2), in Hungary (1) and in Serbia (1). Restaurants opened in 2009 are 11 KFC restaurants, 6 Burger King restaurants, 3 Starbucks stores and 3 Pizza Hut restaurants.

4.4.Other information

On January 6th, in reference to the conversion of AmRest into European Company on September 19th 2008 (RB 71/2008 dated September 22nd 2008), AmRest informed about the transfer of the Company's registered office to Poland and the change of Company's Articles of Association. The wording of the up-to-dated articles has been attached to the RB 1/2009 dated January 6th 2008. AmRest is the first public company in Poland which operates in the form of European Company. The aim to convert AmRest into European Company was to increase the efficiency of the Company, i.e. improve the AmRest's transparency and reduce operating and administrative costs (RB 1/2009 dated 6 January 2009).

On 24 March 2009 the contingent agreement for the sale of all shares in Sfinks Polska S.A. ("Sfinks") owned by AmRest was finalized (a total of 3 061 786 shares at PLN 9.95 per share). The Company's preliminary investment intentions in respect of Sfinks could not be realized as a result of the real valuation of the company based on the actual financial condition of Sfinks. The full assessment of the company's condition was possible after changes in the management bodies of Sfinks; the previous Management Board did not give its consent to a Due Diligence process due to the equal access of all investors to the data of companies quoted on the Warsaw Stock Exchange. The company's position was so difficult that to protect its assets and the shareholders' interests a motion for bankruptcy was filed with the possibility of a constructive arrangement. Despite the will to render the company more efficient, the implementation of the recovery plan prepared based on multi-year experience of AmRest proved impossible due to the shareholding structure. At the same time, in connection with the above, there was no basis for accepting the initial price of Sfinks's shares (in accordance with the law, the Sfinks share price at a subsequent call would not drop below PLN 19.41) as the key investment criterion of AmRest would not be met (a minimum of 20% IRR). The decision to withdraw from the investment in Sfinks took into consideration a partial return on the capital invested and allowing the other shareholders to improve the company's position. In the first quarter of 2009, a final impairment write-down was made accordingly to the transaction from 24 March 2009, the impairment amounted to 2 527 thousand. The Management Board of AmRest informed of the details in current and periodical reports published by the Company in 2008 and 2009.

On 8 April 2009 AmRest informed that the first Starbucks store was opened in Warsaw, Poland. Poland is the consecutive market where AmRest develops this brand. Currently AmRest operates a total of 11 Starbucks stores in Poland and Czech Republic (RB 20/2009).

On 22 May 2009, the Annual General Shareholders' Meeting of AmRest took place. Shareholders holding at least 5% of the total number of voting rights at the General Shareholders' Meeting were listed in RB 29/2009 dated 22 May 2009. The General Shareholders' Meeting did not forego any of the items on the agenda and passed resolutions relating to the approval of the Directors' Report on the activity of the Company and the AmRest Holdings SE capital group in the financial year 2008, the approval of the Company's Financial Statements and Consolidated Financial Statements for the financial year 2008, to set aside the Company's profit generated in the financial year 2008 as statutory reserve, On the release of liability for the exercise of their respective duties for the financial year 2008 of Members of the Management Board and the Supervisory Board, On changing the composition of the Supervisory Board (point 2.1), On the approval of the resolution of the Management Board of AmRest Holdings SE of 11 December 2008 on the Adoption of the International Financial Reporting Standards (IFRS) in respect of the financial year 2008. The contents of all the resolutions passed are included in the Appendix to RB 28/2008.

On 30 June 2009 AmRest informed about signing of annex to the Distribution Agreement ("Agreement"), dated 2 April 2003, concluded between AmRest Sp. z o.o. ("AmRest Poland") and McLane Polska Sp. z o.o., with its registered office at Błonie ("Distributor") on 30 June 2009. The Annex is coming into force after signing. Pursuant to this annex the term of the Agreement was extended for another 3 years, i.e. until 1 August 2013. Additionally both sides agreed that further extension of the term of the Agreement shall be concluded in writing by 1 December 2012, otherwise the Agreement would expire automatically on 1 August 2013. Besides the extension of the term of the Agreement, the annex concerns improvement of invoice flow between AmRest Poland and Distributor, change in charging distribution fee and includes new entity into the Agreement, AmRest Coffee Sp. z o.o. The objective of the above changes is to improve process of goods distribution to AmRest Poland restaurants and optimize delivery costs (RB 32/2009).

On 8 July 2009 AmRest was informed by Grove Ownership Holding LLC about willingness to realize sell option for remaining 20 % shares of AppleGrove Holdings LLC. Transaction will be finalized by the end of third quarter.

The Management Board of AmRest, with reference to regulatory announcements 20/2007 dated 21 May 2007 and 35/2007 dated 3 July 2007, informs that the acquisition of OOO Pizza Nord (currently OOO AmRest Russia) has been finally settled between Michael Tseytin ("Seller") and AmRest. As a result of the settlement the Seller signed a one year Promissory Note under which he is obliged to pay a principal of USD 9.0 million to AmRest. The Promissory Note is secured by Share Pledge Agreement. The financial terms of Promissory Note do not differ from standard terms used in a given type of the agreement. Additionally, as a part of the settlement, a call option under which Michael Tseytin had a right to acquire one of the key RostiksKFC locations in St. Petersburg was cancelled (RB 37/2009).

5. Planned investment activities and assessment of their feasibility

AmRest plan is to continue to expand its business through a combination of organic growth in Central and Eastern Europe and M&As, both in the US and CEE. AmRest's goal in Central and Eastern Europe is to further develop the basic Group brands, KFC and Pizza Hut, by opening new restaurants and increasing sales in the existing ones; developing new brands – Burger King and Starbucks – and engaging in regional expansion by entering new markets in the region. The growth strategy on the American market stipulates further acquisitions under the Applebee's brand.

AmRest maintains a high rate of growth and opens several restaurants a year in Central and Eastern Europe. In 2009, the Company will continue its development and is planning to open ca. 50 restaurants in the region. Most of the openings planned for the current year relate to proven concepts (KFC and Pizza Hut) and basic markets (Poland and the Czech Republic). The Company intends to finance all openings in Europe with its own funds – positive cash flows generated internally by the existing AmRest restaurants. The plan of new openings will be adapted to market conditions and possibilities of acquiring new attractive locations in particular countries on a current basis. In 2009 AmRest will be very restrictive and selective each time in taking decisions on allocating its cash flows – the aim is to achieve at least a 20% IRR on each investment. The average cost of opening a new AmRest restaurant in Central and Eastern Europe varies on the location and type of restaurant and averages PLN 2.3 million.

The AmRest Group intends to spend a significant part of the capital expenditure in 2009 on new IT systems and integration of the systems currently possessed. The key projects will relate to implementing a new sales POS (Point of Sale) system, an ERP (Enterprise Resource Planning) system and a central reporting BI (Business Intelligence) system. The purpose of the new IT systems is to standardize the systems in all countries and achieve greater automation of business processes. These changes increase the productivity and effectiveness of work in the whole group and enhance the efficiency of business controlling and monitoring. The integration and improvement of the IT systems will form the basis for the further expansion and growth of AmRest.

The Management Board expects the long-term development to be financed mainly with own funds and additional external finance. The Company does not rule out the possibility of increasing its borrowings over the next few months – if an attractive acquisition option appears (organic development in 2009 in Europe will be financed exclusively with its own funds). In the opinion of the Management Board, the safe level of debt is a Net Debt/EBITDA ratio not exceeding 3.5 (as at the end of June 2009 the ratio amounted to: 2.2 Net Debt/EBITDA).

6. External and internal factors material for the development of the Company in 2009

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

a) External factors

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

b) Internal factors

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

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

The Management Board of AmRest is responsible for the risk management system and internal control system as well as for the system of reviewing those systems in terms of their operating effectiveness. The systems help in the identification and management of risks which could prevent AmRest from realizing its long-term goals. Nevertheless, the existence of the systems does not allow for the total elimination of the risk of fraud and illicit actions. The Management Board of AmRest reviewed, analyzed and ranked the risks to which the Company is exposed. The current basic risks and threats have been summarized in this section. AmRest reviews and enhances its risk management systems and internal control systems on a current basis.

a) Factors outside the Company's control

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

b) Dependence on the franchiser

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

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

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

c) Dependency on joint venture partners

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

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

d) Lack of exclusivity

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

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

e) Rental agreements and their extension

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

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

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

f) Risk related to consumption of food products

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

g) Risk related to restrictions imposed by the lenders

In accordance with the loan agreements concluded with banks under the "Club Deal", the AmRest Group committed itself to abiding by certain restrictions in respect of drawing loans and borrowings, incurring capital expenditure, granting security and disposing of assets, as well as to maintaining specific values of financial ratios. It is possible that accepting the said commitments may significantly limit AmRest's operations in the future, and potentially refraining from meeting the commitments may lead to the need for early repayment of loan tranches drawn which in turn may have a negative impact on the financial condition and results of AmRest.

h) Risk related to the development of new brands

In January 2008 AmRest Coffee opened the first Starbucks store in the Czech Republic. Moreover, since the 3rd quarter of 2008 the Company has been consolidating the results of its Applebee's restaurants. As these are completely new concepts for AmRest there is a risk related to demand for the products offered and their acceptance by consumers.

i) Risk related to opening restaurants in new countries

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

j) Foreign exchange risk

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

The weakening of currencies in Central and Eastern Europe vs. EUR and USD which in the short term may impact the cost structure of the Company. Despite having hedged most foreign exchange exposures related to supplying raw materials in 2009, the Company is still exposed to foreign exchange risk related to a portion of the existing rental agreements denominated in EUR and USD.

k) Risk of increased financial costs

In 2008, the Company significantly increased its external debt. The increased financial costs resulting from servicing debt may lead to pressures on the net profit margin.

l) Risk of slowdown in the economies

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

m) Risk of seasonality of sales

The seasonality of sales and inventories of the AmRest Group is not significant which is typical for the whole restaurant industry. On Central and East European markets restaurants have lower sales in the first half of the year which is mainly the result of a smaller number of days of sale in February and lower number of customers in the restaurants. In the second half of the year, restaurants generate higher sales revenues in connection with increased tourist activity in the third quarter of the year and – traditionally – a higher number of customer visits in autumn. Additionally, in the last months of the year, the Christmas season is clearly visible and restaurants located in shopping centers generate exceptionally good results. The United States market is characterized by an opposite relation. After a period of lower sales in the summer months and a slight revival related to the holiday season, the first half of the year is a period of increased activity in connection with the use of holiday vouchers, promotional coupons and a high number of holidays.

n) Risk of change in consumers' preferences

A potential risk which could have an unfavourable impact on the sales is a change in the consumers' preferences in connection with doubts as to the health values of the chicken which is the key product of the KFC chain. This may be caused by unfavourable information relating to chicken consumption and diseases transmitted by poultry proliferated by mass media. The risk referred to above is limited by using the highest quality components in AmRest restaurants – from checked and renowned suppliers, abiding by stringent quality and hygiene standards and applying state of the art equipment and processes enabling total safety of the food.

o) Risk related to implementing new IT systems

Costs related to implementing new IT systems may in the short term have a negative impact on the Company's results. However, in the long term, the expected benefits will have a negative impact on the Group's profitability.

8. The Company's development directions and strategy

AmRest's strategy is to achieve market dominance* through acquisitions & operating scalable ($50+m in annual sales), highly profitable (20%+IRR) branded QSR & CD restaurants concepts. AmRest, through its "Wszystko Jest Możliwe!" culture delivers craveble taste and exceptional service at affordable prices.

* Dominance defined as clear sales leader in the country.

a) Central and Eastern Europe

AmRest assesses that in respect of the brands currently operated by the Company in Central and Eastern Europe, the current market potential on the markets on which it operates is many times higher than the currently held restaurant portfolio. Therefore, the Company plans to significantly accelerate its growth. Until the end of 2009 AmRest plans to increase its sales revenues in Central and Eastern Europe threefold (compared with 2006). AmRest will realize its strategy in Central and Eastern Europe by continuing development of the existing brands in the countries in which it is present, increasing sales of existing restaurants, introducing new brands and further acquisitions in the region.

In the following years, in Central and Eastern Europe, AmRest plans to grow at a rate of ca. 20% per annum in terms of sales revenues. The planned increase in the pace of growth and significantly increased number of new restaurants will have a short-term pressure on the net profit margin, related to increased financial costs (costs related to servicing debt) and increased one-off costs of opening new restaurants. A material pillar of the Group's development will also be the integration and improvement of IT systems.

The Company intends to consistently continue actions aimed at increasing their customer value. By further excelling in customer service, offering tasty dishes prepared with fresh components and introducing new products AmRest intends to increase clients' awareness of the excellent value-for-money of the services.

b) The United States

The acquisition of shares in AppleGrove which operates 104 Applebee's restaurants in the United States of America means the entry of AmRest on the largest global restaurant market and a significant strengthening of its Casual Dining Restaurants segment.

The growth strategy on the American market stipulates acquisitions and consolidations under the Applebee's brand. Our purpose is further use of the wide experience of the management of AppleGrove in consolidating Applebee's business and using the potential of the Applebee's brand – the largest casual dining chain in the world.

9. Management representations

9.1. Correctness and fairness of the presented financial statements

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

9.2. Appointment of the registered audit company

The registered audit company – PricewaterhouseCoopers Sp. z o.o., has reviewed the semi-annual consolidated financial statements of the AmRest Group, was appointed in accordance with the legal regulations. Both the registered audit company and the registered auditors who performed the review met the conditions necessary to issue an unbiased and independent report based on the review, in accordance with appropriate regulations.

Wrocław, 31 August 2009

Wojciech Mroczyński	Jacek Trybuchowski
AmRest Holdings SE	AmRest Holdings SE
Board Member	Board Member

Part II
Supplement to Directors' Report

Content:

1. AmRest Holdings SE Management comments on previously Publisher forecasts and possibility of their implementation their implementation

The Company has not published any forecasts of financial results.

2. Shareholders owning at least 5% of shares as of the date of this report publication

According to the information in the Company's possession, as at the date of this report publication (31 August 2009), the following shareholders gave information on holding directly or indirectly (via subsidiaries) at least 5% of the total number of votes at the General Shareholders' Meeting of AmRest:

Shareholders	Number of shares	Share in share capital %	Number of voting rights	Voting rights at the GSM %
BZ WBK AIB AM *	2 870 940	20,24	2 870 940	20,24%
ING OFE	2 481 314	17,49	2 481 314	17,49%
Henry McGovern **	1 348 010	9,5	1 348 010	9,50%
Commercial Union OFE	1 000 000	7,05	1 000 000	7,05%
Otwarty Fundusz Emerytalny PZU "Złota Jesień"	745 257	5,25	745 257	5,25%

* BZ WBK AIB AM manages assets which include, among other things, funds belonging to BZ WBK AIB TFI (14,41% according to information from AmRest)

** shares held directly by Henry McGovern and his wholly-owned subsidiaries, i.e. IRI and MPI

2.1.Changes in shareholding structure

The Company has obtained the following information relating to changes in ownership structure since the last periodical report was published (report for the first quarter of 2009 published on 15 May 2009):

On 7 July 2009, as a result of the purchase of shares as of 25 June 2009, Otwarty Fundusz Emerytalny PZU "Złota Jesień" ("OFE PZU") became holder of a total of 745 257 shares in AmRest, which constitutes 5.25% of the Company's initial capital and entitles to 745 257 votes, i.e. 5.25% of the total number of votes at the Company's Meeting of Shareholders. Prior to the change OFE PZU held a total of 610 468 shares in AmRest, which constituted 4.30% of the Company's initial capital and entitled to a total of 610 468 votes, i.e. 4.30% of the total number of votes at the Company's Meeting of Shareholders (RB 33/2009).

On 8 July 2009, as a result of sale of shares, as of 2 July 2009, funds managed by BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. ("BZ WBK TFI") became holders of a total of 2 044 828 shares in AmRest, which constitutes 14.41% of the Company's initial capital and entitles them to 2 044 828 votes, i.e. 14.41% of the total number of votes at the Company's Meeting of Shareholders. Prior to the change the funds managed by BZ WBK TFI held a total of 2 131 828 shares in AmRest, which constituted 15.03% of the Company's initial capital and entitled to a total of 2 131 828 votes, i.e. 15.03% of the total number of votes at the Company's Meeting of Shareholders (RB 34/2009).

2.2.Other information on shareholdings

The Management Board of AmRest does not have any information on agreements (including agreements concluded after the balance sheet date) as a result of which the proportion of shares held by the current shareholders could change.

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

3. Changes in the number of Soares Or share options owned by Supervisory and Management Board Members

Pursuant to the information available to the Company no changes occurred with respect to AmRest shares and stock options held by the members of the Management and Supervisory Boards of AmRest after the publication of the previous quarterly report (i.e. 15 May 2009).

4. Information on pending against the Company court arbitration or administrative proceedings whose single or aggregate value exceeds 10% of the Company's equity

As the day of this report publication there is proceeding pending in Appeal Court in Wrocław resulting from Tomasz Morawski's claim against AmRest sp. z o.o. ("AmRest Polska") dated 9 July 2009. Previously, Company informed about a verdict dismissing Tomasz Morawski's compensation claim in connection with AmRest Poland not purchasing the shareholding of Sfinks Polska S.A. in the possession of Plaintiff (RB 15/2009, RB 30/2009).

On 29 May 2009, with reference to the Regulatory Announcement No 15/2009 dated 12 March 2009, AmRest informed that on the previous day took place the first hearing in the trial of Tomasz Morawski against AmRest Sp. z o.o. ("AmRest Poland"), 100% subsidiary of AmRest, for payment of a compensation in the amount of PLN 59,4 million. On the hearing the District Court in Wroclaw issued a verdict dismissing Tomasz Morawski's claims in full and awarding litigation's costs in favor of AmRest Poland. The verdict was not final and not binding (RB 30/2009).

5. Composition of the Capital Group

The current composition of the AmRest Group was presented in Part IV of AmRest Holdings SE Report for the First Half of 2009.

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

6. Loans and borrowings within the Group

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

a) AmRest Holdings SE

Borrower	Loan currency	in PLN'000	
		value of loans granted as per the agreements*	Value of loans as at 30/06/2009**
American Restaurants s.r.o.	CZK	28 895	32 531

* translated at the NBP rate prevailing on 30/06/2009

** including interest accrued until 30/06/2009

b) AmRest sp. z o.o.

Borrower	Loan currency	in PLN'000	
		Value of loans granted as per the agreements*	Value of loans as at 30/06/2009**
American Restaurants EOOD	PLN	5 940	6 493
IFFP	PLN	985	1 240
AmRest LLC	USD	6 141	6 311

* translated at the NBP rate prevailing on 30/06/2009

** including interest accrued until 30/06/2009

7. Information on transactions or agreements resulting in related party transactions

7.1.Agreements with related entities

On 29 January 2009 AmRest informed about the capital increase in its subsidiary AmRest Coffee s.r.o. ("AmRest Coffee Czech"). The share capital of AmRest Coffee s.r.o. was increased by CZK 45 000 000 through cash contribution made by AmRest Sp. z o.o. and Starbucks Coffee International Inc. Following the registration of this change the share capital of AmRest Coffee s.r.o. amounts to CZK 224 004 000. After this change share structure remains as previously: AmRest Sp. z o.o. - 82%, Starbucks Coffee International Inc – 18% (RB 4/2009).

On 22 May 2009 AmRest informed about the capital increase in its subsidiary AmRest Coffee Sp. z o.o. ("AmRest Coffee Polska"). The share capital of AmRest Coffee Polska was increased by PLN 7 500 000 through cash contribution made by AmRest Sp. z o.o. and Starbucks Coffee International Inc. The court in Wroclaw registered this change on 12 May 2009. Following the registration of this change the share capital of AmRest Coffee Polska amounts to PLN 17 565 000. After this change share structure remains as previously: AmRest Sp. z o.o. - 82%, Starbucks Coffee International Inc – 18% (RB 27/2009).

On 18 June 2009 AmRest informed about the capital increase in its subsidiary AmRest Coffee s.r.o. ("AmRest Coffee Czech"). The share capital of AmRest Coffee s.r.o. was increased by CZK 16 100 000 through cash contribution made by AmRest Sp. z o.o. and Starbucks Coffee International Inc. The court in Prague registered this change on 8 June 2009. Following the registration of this change the share capital of AmRest Coffee s.r.o. amounts to CZK 240 104 000. After this change share structure remains as previously: AmRest Sp. z o.o. - 82%, Starbucks Coffee International Inc – 18% (Rb 31/2009).

On 24 July 2009 AmRest informed about the notification received from the Member of the Management Board of the Subsidiary Company, on sale of 19 689 AmRest shares by SCM Sp. z o.o. ("SCM") between 20-24 July 2009, at average price PLN 54.08. The transaction has been concluded in connection with the fact that since 6 October 2008 AmRest Sp. z o.o. ("AmRest Poland") has been a majority shareholder at SCM. AmRest Poland is 100% subsidiary of AmRest. Pursuant to Article 363.4 of KSH SCM had a duty to sell AmRest shares within certain period of time. After these transactions SCM is not in possession of any AmRest shares. Member of the SCM Management Board is in the possession of 44% shares of SCM. AmRest Poland is an owner of 51% shares of SCM. Above transactions was executed on the Warsaw Stock Exchange (RB 36/2009).

8. Information on sureties in respect of loans or guarantees issued by the Company whose value represent 10% or more of the Company's equity.

During the period covered by this report, the Company hasn't issued the sureties in respect of loans or guarantees whose value represent 10% or more of the Company's equity.

9. Information on redeemed and repaid debt securities issued by the Company

The Company redeemed bonds of total value PLN 10 000 thousand. Redemption of bonds follows the Bond Issuance Agreement that has been signed between AmRest Sp. z o.o. and ABN AMRO Bank (Polska) S.A. on 9 July 2008 (RB 60/2008).

10. Information on dividends paid during the period covered by these financial statements

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

11. AmRest Group results for the second quarter of 2009

Interim Consolidated Income Statement for the three months ended 30 June 2009 and 30 June 2008

In thousands of Polish Zloty	3 months ended 30 June 2009	3 months ended 30 June 2008
Restaurant sales	518 838	264 559
Restaurant expenses:		
Costs of food	(167 728)	(88 933)
Direct marketing costs	(27 347)	(16 239)
Direct depreciation and amortization expenses	(19 258)	(13 227)
Payroll and employee benefits	(132 116)	(52 681)
Continuing franchise fees	(26 953)	(15 692)
Occupancy and other operating expenses	(100 452)	(45 914)
Total restaurant expenses	(473 854)	(232 686)
Gross profit on sales	44 984	31 873
General and administrative expenses (G&A)	(30 508)	(18 321)
Depreciation and amortization expenses	(2 206)	(634)
Other operating income	8 860	2 357
(Loss) on disposal of property, plant and	(927)	(675)
Impairment losses	(8 467)	(804)
Operating profit	11 736	13 796
Finance costs	(8 514)	(2 781)
Finance income	13 133	3 021
Share in post tax profits of associates	(57)	220
(Loss) on disposal of associates	-	-
Profit before tax	16 298	14 256
Income tax expense	(1 160)	(4 582)
Profit for the period	15 138	9 674
Attributable to:		
Minority interest	321	(476)
Equity holders of the parent	14 817	10 150
Basic earnings per share in Polish zloty	1,04	0,75
Diluted earnings per share in Polish zloty	1,05	0,74

The Interim Consolidated Income Statement has to be analyzed jointly with the notes which constitute an integral part of these Condensed Interim Consolidated Financial Statements. Information on period as at and for the three months ended 30 June 2009 is included in the Interim Management Report for the six months ended 30 June 2009.

Interim Consolidated Statement of Comprehensive Income for the three months ended 30 June 2009 and 30 June 2008

In thousands of Polish Zloty	3 months ended 30 June 2009	3 months ended 30 June 2008
Profit for the period	15 138	9 674
Other comprehensive income:		
Currency translation differences from conversion of foreign entities	33 013	(10 309)
Financial assets held for sale		
Cash flow hedges	9 098	
Currency translation differences from		
Actuarial gains (losses) – plans of determined benefits	579	435
Participation in other comprehensive income of associated entities	328	245
Income tax concerning other comprehensive	(10 324)	2 311
Other comprehensive income for the period,	32 694	(7 318)
Total comprehensive income for the period	47 832	2 356
Profit attributable to:		
Equity holders of the parent	14 817	10 150
Minority interest	321	(476)

The Interim Consolidated Statement of Comprehensive Income has to be analyzed jointly with the notes which constitute an integral part of these Condensed Interim Consolidated Financial Statements. Information on period as at and for the three months ended 30 June 2009 is included in the Interim Management Report for the six months ended 30 June 2009.

Segment Note

	Poland	*Czech Republic*	*Russia*	*USA*	*Unallocated*	*Total according to Interim Condensed Consolidate Financial Statements*
3 months ended 30 June 2009						
Revenue from external customers	186 027	73 330	44 313	195 495	19 673	518 838
Inter-segment revenue	-	-	-	-	-	-
Operating result, segment result	13 895	(1 340)	(405)	3 039	(3 453)	11 736
Finance income	-	-	-	-	-	13 133
Finance costs	-	-	-	-	-	(8 514)
Share of profits of associates	(57)	-	-	-	-	(57)
(Loss) on disposal of associates	-	-	-	-	-	(1 160)
Income tax	-	-	-	-	-	15 138
Profit for the period						
	352 800	159 976	239 872	298 576	77 053	1 128 277
Segment assets	823	-	-	-	-	823
Investments in associates						1 129 100
Total assets						
	76 607	63 489	18 833	85 907	470 293	715 129
Segment liabilities						715 129
Total liabilities						
	8 413	4 994	1 834	4 127	1 458	20 826
Pension, health care, sickness fund	744	178	(632)	199	149	638
state						
	30 648	4 534	4 196	1 372	184	40 934
Depreciation	2 268	3 757	1 953	-	491	8 469
Amortization	(2)	-	-	-	-	(2)

3 months ended 30 June 2008	***Poland***	***Czech Republic***	***Russia***	***USA***	***Unallocated***	*Total according to Interim Condensed Consolidate Financial Statements*
Revenue from external customers	166 998	52 212	31 990	-	13 359	264 559
Inter-segment revenue	-	-	-	-	-	-
Operating result, segment result	17 235	(672)	514	-	(3 281)	13 796
Finance income	-	-	-	-	-	3 021
Finance costs	-	-	-	-	-	(2 781)
Share of profits of associates	220	-	-	-	-	220
(Loss) on disposal of associates	-	-	-	-	-	(4 582)
Income tax	-	-	-	-	-	9 674
Profit for the period						
	231 121	116 455	218 770	-	80 621	646 967
Segment assets	2 844	-	-	-	-	2 844
Investments in associates						649 811
Total assets						
	31 079	20 043	31 606	-	272 169	354 897
Segment liabilities						354 897
Total liabilities						
	7 142	3 352	1 537	-	1 011	13 042
Pension, health care, sickness fund state	609	101	176	-	(67)	819
	16 810	10 861	42 956	-	10 307	80 934
Depreciation	293	495	-	-	-	788
Amortization	16	-	-	-	-	16

Part III

Selected Financial Data

1. Selected financial data

Selected financial data, including the key items of the consolidated financial statements as at and for six months ended on June 30 2009

	6 months ended 30 June 2009 PLN'000	6 months ended 30 June 2008 PLN'000	6 months ended 30 June 2009 EUR'000	6 months ended 30 June 2008 EUR'000
Restaurant sales	1 044 426	507 582	233 767	145 335
Operating profit	36 450	32 306	8 158	9 250
Pre-tax profit	32 396	32 049	7 251	9 177
Net profit	26 316	22 805	5 890	6 530
Net profit attributable to minority interest	854	(989)	191	(283)
Net profit attributable to equity holders of the parent	25 462	23 794	5 699	6 813
Cash flows from operating activities	45 155	39 250	10 107	11 238
Cash flows from investing activities	(29 783)	(95 210)	(6 666)	(27 261)
Cash flows from financing activities	4 296	43 719	962	12 518
Total cash flows, net	19 668	(12 241)	4 402	(3 505)
Total assets	1 129 100	613 173	252 618	182 808
Total liabilities and provisions	715 129	317 754	159 998	94 733
Long-term liabilities	455 489	199 773	101 908	59 559
Short-term liabilities	259 640	117 981	58 090	35 174
Equity attributable to shareholders of the parent	393 215	290 257	87 975	86 535
Minority interest	20 756	5 162	4 644	1 539
Total equity	413 971	295 419	92 619	88 074
Issued capital	427	545	96	162
Average weighted number of ordinary shares in issue	14 210 638	14 266 613	14 210 638	14 266 613
Basic earnings per share (PLN /EUR)	1,79	1,68	0,40	0,50
Diluted earnings per share (PLN /EUR)	1,79	1,67	0,40	0,50
Declared or paid dividend per share*	-	-	-	-

*There have been no profit distributions or dividend payments in 2009 and 2008.

Assets and liabilities are translated into the Polish zloty at exchange rates quoted for the balance-sheet date by the National Bank of Poland. Income and expenses are translated at exchange rates approximated to the rates quoted for the date of a given transaction.

The selected financial data were translated into the euro in accordance with the following policies:

*Assets and liabilities – at mid exchange rates quoted by the National Bank of Poland for a given balance-sheet date;

*Items in the income statement – at exchange rates representing the arithmetic averages of the exchange rates quoted by the National Bank of Poland for the last day of each month in a given calendar quarter.

Part IV

Auditor’s Report

PRICEWATERHOUSECOOPERS

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Raport niezależnego biegłego rewidenta z przeglądu półrocznego skróconego skonsolidowanego sprawozdania finansowego za okres od 1 stycznia 2009 r. do 30 czerwca 2009 r.

dla Akcjonariuszy i Rady Nadzorczej AmRest Holdings Spółka Europejska

Przeprowadziliśmy przegląd załączonego półrocznego skróconego skonsolidowanego sprawozdania finansowego Grupy Kapitałowej AmRest Holdings Spółka Europejska (zwanej dalej „Grupą"), w której jednostką dominującą jest AmRest Holdings Spółka Europejska („Jednostka dominująca") z siedzibą we Wrocławiu przy Pl. Grunwaldzkim 25-27, obejmującego:

(a) skonsolidowany bilans sporządzony na dzień 30 czerwca 2009 r., który po stronie aktywów oraz zobowiązań i kapitału własnego wykazuje sumę 1.129.100 tys. zł;

(b) skonsolidowane zestawienie całkowitych dochodów za okres od 1 stycznia do 30 czerwca 2009 r. wykazujące dochód całkowity w kwocie 67.696 tys. zł;

(c) skonsolidowane zestawienie zmian w kapitale własnym za okres od 1 stycznia do 30 czerwca 2009 r. wykazujące zwiększenie kapitału własnego o kwotę 76.547 tys. zł;

(d) skonsolidowany rachunek przepływów pieniężnych za okres od 1 stycznia do 30 czerwca 2009 r. wykazujący wpływy pieniężne netto w kwocie 19.668 tys. zł;

(e) informację dodatkową o przyjętych zasadach rachunkowości oraz inne informacje objaśniające.

Za sporządzenie zgodnego z Międzynarodowymi Standardami Sprawozdawczości Finansowej zatwierdzonymi przez Unię Europejską dotyczącymi sprawozdawczości śródrocznej (MSR 34) półrocznego skróconego skonsolidowanego sprawozdania finansowego odpowiedzialny jest Zarząd Jednostki dominującej. Naszym zadaniem było przedstawienie raportu o tym półrocznym skróconym skonsolidowanym sprawozdaniu finansowym na podstawie dokonanego przeglądu.

Przegląd przeprowadziliśmy stosownie do obowiązujących na terytorium Rzeczypospolitej Polskiej norm wykonywania zawodu biegłego rewidenta wydanych przez Krajową Radę Biegłych Rewidentów. Normy te nakładają na nas obowiązek zaplanowania i przeprowadzenia przeglądu w taki sposób, aby uzyskać odpowiednią pewność, że półroczne skrócone skonsolidowane sprawozdanie finansowe nie zawiera istotnych nieprawidłowości. Przeglądu dokonaliśmy drogą analizy wyżej wymienionego półrocznego skróconego skonsolidowanego sprawozdania finansowego, przeglądu dokumentacji konsolidacyjnej oraz z wykorzystaniem informacji uzyskanych od Zarządu Jednostki dominującej i pracowników Grupy.

PricewaterhouseCoopers Sp. z o.o. wpisana jest do Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy, pod numerem KRS 0000044655, NIP 526-021-02-28. Kapitał zakładowy wynosi 10.363.900 złotych. Siedziba Spółki jest Warszawa, Al. Armii Ludowej 14.

PRICEWATERHOUSECOOPERS

Raport niezależnego biegłego rewidenta z przeglądu półrocznego skróconego skonsolidowanego sprawozdania finansowego za okres od 1 stycznia 2009 r. do 30 czerwca 2009 r.

dla Akcjonariuszy i Rady Nadzorczej AmRest Holdings Spółka Europejska (cd.)

Zakres wykonanych prac był znacząco mniejszy od zakresu badania półrocznego skróconego skonsolidowanego sprawozdania finansowego, ponieważ celem przeglądu nie było wyrażenie opinii o prawidłowości i rzetelności półrocznego skróconego skonsolidowanego sprawozdania finansowego. Niniejszy raport nie stanowi opinii z badania półrocznego skróconego skonsolidowanego sprawozdania finansowego w rozumieniu Ustawy o rachunkowości z dnia 29 września 1994 roku (Dz.U. z 2002 r. Nr 76, poz. 694 z późniejszymi zmianami).

Dokonany przez nas przegląd nie wykazał potrzeby istotnych zmian w załączonym półrocznym skróconym skonsolidowanym sprawozdaniu finansowym tak, aby było ono zgodne z Międzynarodowym Standardem Rachunkowości 34 „Śródroczna sprawozdawczość finansowa".

Działający w imieniu PricewaterhouseCoopers Sp. z o.o. i przeprowadzający przegląd:

M. Sawicki

PricewaterhouseCoopers Sp. z o.o.

Marcin Sawicki
Członek Zarządu
Biegły Rewident
Numer ewidencyjny 11393

Spółka wpisana na listę podmiotów uprawnionych do badania sprawozdań finansowych pod numerem 144

Wrocław, 31 sierpnia 2009 r.