AmRest Holdings SE
Consolidated condensed interim financial statements
as at and for the six months ended
June 30, 2012

Contents

AmRest Holdings SE

Interim Consolidated Income Statement
for the 6 months ended June 30, 2012

In thousands of Polish Zloty	**Notes**	**Six months ended June 30, 2012**	**Six months ended June 30, 2011 (after adjustments)***
Continuing operations			
Restaurant sales		1 036 352	755 758
Franchise and other sales		76 414	30 268
Total sales	2	1 112 766	786 026
Direct operating restaurant expenses:			
Food and material		(334 200)	(253 566)
Payroll and employee benefits		(228 445)	(155 719)
Royalties		(55 969)	(43 832)
Occupancy and other operating expenses		(321 144)	(231 512)
Franchise and other expenses		(54 635)	(19 580)
General and administrative (G&A) expenses		(71 203)	(51 092)
Impairment losses		(4 259)	(1 880)
Other operating income		10 493	5 316
Total operating costs and losses		(1 059 362)	(751 865)
Profit from operations		**53 404**	**34 161**
Finance costs	4	(32 928)	(16 785)
Cost from put option valuation	4	(5 963)	(3 588)
Finance income	3	1 708	4 084
Income from associates	20	10	49
Profit before tax		**16 231**	**17 921**
Income tax expense	5	(2 919)	(5 534)
Profit for the period from continuing operations		**13 312**	**12 387**
Discontinued operations			
Profit on discontinued operations	6	9 397	7 659
Profit for the period		**22 709**	**20 046**
Profit attributable to:			
Non-controlling interests		4 093	1 587
Equity holders of the parent		18 616	18 459
Profit for the period		**22 709**	**20 046**
Basic earnings per share in Polish zloty	1	0,88	0,92
Diluted earnings per share in Polish zloty	1	0,87	0,87
Continuing operations			
Basic earnings per share in Polish zloty	1	0,44	0,54
Diluted earnings per share in Polish zloty	1	0,43	0,51
Discontinued operations			
Basic earnings per share in Polish zloty	1	0,44	0,38
Diluted earnings per share in Polish zloty	1	0,44	0,36

** Adjustments are the result of change in presentation of income statement presented in Note1f)*

The Interim Consolidated Income Statement has to be analyzed jointly with the notes which constitute an integral part of these Interim Consolidated Financial Statements. Quarterly information is available in Directors' Report for the first half of the 2012.

AmRest Holdings SE

Interim Consolidated Statement of Comprehensive Income
for the 6 months ended June 30, 2012

In thousands of Polish Zloty	**Six months ended June 30, 2012**	**Six months ended June 30, 2011 (after adjustments)***
Profit for the period	22 709	20 046
Other comprehensive income:		
Currency translation differences from conversion of foreign entities	(16 775)	(3 921)
Valuation of put option liability	6 179	(2 087)
Net investment hedges	(6 297)	10 620
Income tax concerning net investment hedges	1 197	(2 018)
Other comprehensive income for the period, net of tax	**(15 696)**	**2 594**
Total comprehensive income for the period	**7 013**	**22 640**
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	7 899	20 797
Non-controlling interests	(886)	1 843

** Adjustments are the result of change in presentation of interim consolidated statement of comprehensive income.*
The Interim Consolidated Income Statement has to be analyzed jointly with the notes which constitute an integral part of these Interim Consolidated Financial Statements. Quarterly information is available in Directors' Report for the first half of the 2012.

AmRest Holdings SE

Interim Consolidated Statement of Financial Position
as at June 30, 2012

In thousands of Polish Zloty	Notes	30.06.2012	31.12.2011 (after adjust-ments)*
Assets			
Property, plant and equipment	7	885 246	953 310
Goodwill	9	574 062	743 063
Other intangible assets	8	525 042	563 193
Investment property		22 081	22 081
Investment in associates	20	346	140
Leasing receivables		232	309
Other non-current assets		38 353	32 533
Deferred tax assets		36 406	36 309
Total non-current assets		2 081 768	2 350 938
Inventories	10	37 186	40 770
Trade and other receivables	11	54 185	84 923
Corporate income tax receivables		4 072	3 165
Leasing receivables		162	161
Other current assets		18 386	15 716
Assets available for sale	6	276 112	-
Other financial assets		5 711	2 863
Cash and cash equivalents	12	147 274	143 960
Total current assets		543 088	291 558
Total assets	2	**2 624 856**	**2 642 496**
Equity			
Share capital		714	714
Reserves	13	572 684	568 254
Retained earnings		170 494	151 878
Translation reserve		124 577	136 373
Equity attributable to shareholders of the parent		868 469	857 219
Non- controlling interests		157 097	155 527
Total equity		1 025 566	1 012 746
Liabilities			
Interest-bearing loans and borrowings	14	874 452	838 946
Finance lease liabilities	17	4 255	3 429
Employee benefits		7 550	6 570
Provisions		5 766	7 573
Deferred tax liability		157 700	162 117
Put option liability		195 375	195 591
Other non-current liabilities	15	9 736	18 582
Total non-current liabilities		1 254 834	1 232 808
Interest-bearing loans and borrowing	14	74 467	77 956
Finance lease liabilities	17	277	252
Trade and other payables	16	222 261	312 748
Liabilities of disposal group classified as held for sale	6	44 588	-
Income tax liabilities		2 501	4 222
Other financial liabilities		362	1 764
Total current liabilities		344 456	396 942
Total liabilities	2	1 599 290	1 629 750
Total equity and liabilities		**2 624 856**	**2 642 496**

** Adjustments are the result of change in presentation of financial position presented in Note 1f)*

The Interim Consolidated Income Statement has to be analyzed jointly with the notes which constitute an integral part of these Interim Consolidated Financial Statements.

AmRest Holdings SE

Interim Consolidated Statement of Cash Flows
for the 6 months ended June 30, 2012

In thousands of Polish Zloty	Notes	Six months ended June 30, 2012	Six months ended June 30, 2011 (after adjustments)*
Cash flows from operating activities			
Profit before tax from continued operations	2	16 231	17 921
Profit from discontinued operations	2	9 397	7 659
Adjustments for:			
Share of profit of associates	2	(10)	(49)
Amortization	8	10 243	6 221
Depreciation	7	83 192	61 307
Interest expense, net	3,4	23 239	11 542
Put option valuation	4	5 963	3 588
Foreign exchange result	3,4	4 852	(1 169)
Loss on disposal of property, plant and equipment and intangibles		677	779
Impairment of property, plant and equipment	7	4 034	2 127
Equity-settled share-based payments expenses		3 351	1 122
Working capital changes:			
Change in receivables		29 541	2 700
Change in inventories		(3 901)	256
Change in other assets		(12 600)	(10 253)
Change in payables and other liabilities		(52 294)	(43 755)
Change in other provisions and employee benefits		1 148	(17)
Income tax paid		(7 736)	(1 905)
Interest expense paid		(17 138)	(11 563)
Other		3 358	(346)
Net cash provided by operating activities		**101 547**	**46 165**
Cash flows from investing activities			
Proceeds from transactions with non-controlling interests		2 888	4 351
Proceeds from the sale of property, plant and equipment, and intangible assets		1 218	1 527
Acquisition of property, plant and equipment	7	(131 331)	(111 426)
Acquisition of intangible assets	8	(10 354)	(6 699)
Expense for acquisition of subsidiaries, decreased by cash	2	-	(512 781)
Proceeds from repayment of loans given to other entities		22	-
Expense on loans given to other entities		(185)	-
Net cash used in investing activities		**(137 742)**	**(625 028)**
Cash flows from financing activities			
Proceeds from shares issued		-	169 624
Proceeds from loans and borrowings		41 600	459 017
Repayment of loans and borrowings		(763)	(153 893)
Dividends paid to non-controlling interest owners		(490)	(490)
Dividends received from associates		58	59
Proceeds/repayment of finance lease payables		851	(286)
Proceeds of finance lease receivables		76	65
Net cash provided by financing activities		**41 332**	**474 096**
Net change in cash and cash equivalents		**5 137**	**(104 767)**
Balance sheet change of cash and cash equivalents		3 314	(104 504)
Cash and cash equivalents, beginning of period		143 960	245 118
Effect of foreign exchange rate fluctuations		(1 823)	263
Cash and cash equivalents, end of period		**147 274**	**140 614**

** Adjustments are the result of change in presentation of interim consolidated statement of cash flows.*
The Interim Consolidated Cash Flow has to be analyzed jointly with the notes which constitute an integral part of these Interim Consolidated Financial Statements.

AmRest Holdings SE

Interim Consolidated Statement of Changes in Equity for **the 6 months ended June 30, 2012**

	Attributable to equity holders						
	Issued capital	Reserved capital (Note 13)	Retained Earnings	Cumulative translation adjustments	**Total equity attributable to equity holders of the parent**	Non-controlling interest	**Total Equity**
As at 01.01.2011	623	595 451	97 209	38 216	**731 499**	14 531	**746 030**
COMPREHENSIVE INCOME							
Income for the period	-	-	23 231	-	**23 231**	1 587	**24 818**
Currency translation differences	-	-	-	(4 177)	**(4 177)**	256	**(3 921)**
Impact of put option valuation as net investment hedges	-	(756)	-	-	**(756)**	-	**(756)**
Impact of net investment hedging	-	10 620	-	-	**10 620**	-	**10 620**
Deferred income tax concerning net investment hedges	-	(1 874)	-	-	**(1 874)**	-	**(1 874)**
Total Comprehensive Income	**-**	**7 990**	**23 231**	**(4 177)**	**27 044**	**1 843**	**28 887**
TRANSACTION WITH NON-CONTROLLING SHAREHOLDERS							
Equity attributable to non-controlling interests	-	-	-	-	**-**	4 351	**4 351**
Equity attributable to non-controlling interests- Acquisition in Spain (Note 2)	-	-	-	-	**-**	66 157	**66 157**
Put option recognition (Note 2)	-	(154 707)	-	-	**(154 707)**	-	**(154 707)**
Deferred income tax concerning put option	-	29 394	-	-	**29 394**	-	**29 394**
Dividends paid to non-controlling shareholders	-	-	-	-	**-**	(431)	**(431)**
Total transaction with non-controlling shareholders	**-**	**(125 313)**	**-**	**-**	**(125 313)**	**70 077**	**(55 236)**
TRANSACTION WITH SHAREHOLDERS							
Share issue	90	169 534	-	-	**169 624**	-	**169 624**
Employees share option scheme – value of employee services	-	1 122	-	-	**1 122**	-	**1 122**
Total transaction with shareholders	**90**	**170 656**	**-**	**-**	**170 746**	**-**	**170 746**
As at 30.06.2011 according to published financial statement	713	648 784	120 440	34 039	**803 976**	86 451	**890 427**
Restated (Note 1f)	-	(36 255)	(4 772)	-	**(41 027)**	-	**(41 027)**
As at 30.06.2011 (after adjustments)*	**713**	**612 529**	**115 668**	**34 039**	**762 949**	**86 451**	**849 400**
As at 31.12.2011 according to published financial statement	714	489 273	145 694	136 533	**772 214**	155 577	**927 791**
Restated (Note 1f)	-	78 981	6 184	(160)	**85 005**	(50)	**84 955**
As at 01.01.2012 (after adjustments)*	714	568 254	151 878	136 373	**857 219**	155 527	**1 012 746**
COMPREHENSIVE INCOME							
Income for the period	-	-	18 616	-	**18 616**	4 093	**22 709**
Currency translation differences	-	-	-	(11 796)	**(11 796)**	(4 979)	**(16 775)**
Impact of put option valuation as net investment hedges	-	6 179	-	-	**6 179**	-	**6 179**
Impact of net investment hedging	-	(6 297)	-	-	**(6 297)**	-	**(6 297)**
Deferred income tax concerning net investment hedges	-	1 197	-	-	**1 197**	-	**1 197**
Total Comprehensive Income	**-**	**1 079**	**18 616**	**(11 796)**	**7 899**	**(886)**	**7 013**
TRANSACTION WITH NON-CONTROLLING SHAREHOLDERS							
Equity attributable to non-controlling interests	-	-	-	-	**-**	2 888	**2 888**
Dividends paid to non-controlling shareholders	-	-	-	-	**-**	(432)	**(432)**
Total transaction with non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**2 456**	**2 456**
TRANSACTION WITH SHAREHOLDERS							
Employees share option scheme – value of employee services	-	3 351	-	-	**3 351**	-	**3 351**
Total transaction with shareholders	**-**	**3 351**	**-**	**-**	**3 351**	**-**	**3 351**
As at 30.06.2012	**714**	**572 684**	**170 494**	**124 577**	**868 469**	**157 097**	**1 025 566**

** Adjustments are the result of changes in presentation of statement of changes in Equity in note 1f)*

The statement of changes in consolidated equity has to be analyzed jointly with the notes which constitute an integral part of these consolidated financial statements.

1. Information on the Group and significant accounting policies

a) General information

AmRest Holdings SE ("the Company", "AmRest") was established in the Netherlands in October 2000 as a joint-stock company. On September 19, 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. On December 22, 2008, the District Court for Wroclaw-Fabryczna in Wroclaw registered the new registered office of AmRest in the National Court Register. The address of the Company's new registered office is: pl. Grunwaldzki 25-27, Wroclaw (50-365), Poland.

The Court also registered amendments to the Company's Memorandum of Association related to the transfer of the registered office of AmRest to Poland.

AmRest is the first public company in Poland operating in the form of a European Company. The purpose of transforming AmRest into a European Company was to increase its operating effectiveness and reduce operating and administrative expenses. Following the fact of transfer into European Company and transfer of Company registered head office to Poland, the functional currency of AmRest Holdings SE since January 1, 2009 is polish zloty (PLN).

Hereafter, the Company and its subsidiaries shall be referred to as "the Group". The Group's interim consolidated financial statements for the 6-months period ended June 30, 2012 cover the Company, its subsidiaries and the Group's shares in associates. AmRest, LLC entities are preparing financial statements for the period of six months ending June 24, 2012.

These consolidated financial statements were approved by the Company's Management Board on August 31, 2012.

The Group's core activity is operating Kentucky Fried Chicken ("KFC"), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic, Hungary, Russia, Serbia, Croatia, Bulgaria and Spain, on the basis of franchises granted, and Applebee's® in the USA. Additionally in Spain and France the Group operates its own brands La Tagliatella, Trastevere and il Pastificcio. This business is based on the franchise agreements signed with non related companies and own restaurants. It is supported by the central kitchen which produces and delivers products to the whole network of own brands.

On April 27, 2005 the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ("GPW").

Before April 27, 2005, the Company's co-shareholders and entities exercising their rights from the shares held in the Company were International Restaurants Investments, LLC ("IRI") with its registered office in the United States of America, and Kentucky Fried Chicken Poland Holdings BV ("KFC BV") with its registered office in the Netherlands. The co-shareholders held 50% shares each and had the same proportion of voting rights before the Company was first quoted on the stock exchange.

IRI was a company controlled by American Retail Concepts, Inc. with its registered office in the United States of America ("ARC"), and KFC BV was a company controlled by YUM! Brands, Inc. ("YUM!") with its registered office in the USA.

In connection with the flotation of the Company on GPW, YUM! sold all its shares in the Company and is no more a shareholder or a related entity. Also when the Company was floated on GPW, IRI sold part of the shares held.

On April 22, 2010 share subscription agreement was signed between AmRest Holdings S.E, and WP Holdings VII B.V., following which on May 24, 2010 WP Holdings VII B.V. obtained 4 726 263 shares of the Company from new emission at emission price of PLN 65 for total value of PLN 307.2 million. At June 10, 2010 was registered by the registry court in Wroclaw the increase in the share capital of the Company by the amount of EUR 47 262.63 (PLN 195 374.26). Additionally during 12 months from the date on which the described above emission shares were registered by the registry court proper for the Company's registered office, the WP Holdings VII B.V. will have an option to subscribe for additional shares in up to two instalments to the extent that its shareholding does not exceed 33% of the post-issuance share capital. The issuance price for the additional shares subscription was PLN 75 per share. On March 25, 2011, WP subscribed for 2 271 590 shares with the issuance price of PLN 75 per share. After decrease by all costs concern capital issue the growth was PLN 168 926 thousand.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

As at June 30, 2012 WP Holdings VII B.V. was the largest shareholder of AmRest and held 32.9999% of its shares and voting rights.

Pursuant to the information available to the Company, as at the date of release of this annual report, that is August 31, 2012, the following shareholders submitted information on holding directly or indirectly (through subsidiaries) 5% or more of the total vote at the General Shareholders Meeting of AmRest Holdings SE ("AmRest"):

Shareholders	Shares amount	Share in Equity %	Shares amount at AGM	Share at AGM %
WP Holdings VII B.V.*	6 997 853	32,99%	6 997 853	32,99%
ING OFE	4 100 000	19,33%	4 100 000	19,33%
BZ WBK AIB AM S.A.**	1 912 174	9,01%	1 912 174	9,01%
Aviva OFE	1 600 000	7,54%	1 600 000	7,54%
PZU PTE	1 547 402	7,29%	1 547 402	7,29%

* WP Holdings owns directly 32.9999% shares in Equity and at AGM.

** BZ WBK AM manages assets which include the funds of BZ WBK TFI

Pizza Hut and KFC restaurants operate on the basis of franchise agreements signed with YUM! and YUM! Restaurants International Switzerland, Sarl ("YRIS") which is a subsidiary of YUM! Each of the franchise agreements covers a period of 10 years, with the possibility of extending it for a further 10-year period, which is conditional to meeting operating terms and conditions specified in the agreements.

On March 8, 2007, the Company signed a "Development Agreement" with Burger King Europe GmbH ("BKE"), relating to opening and operating Burger King restaurants in Poland on a franchise basis. Burger King restaurants operate on the basis of franchise agreements signed with Burger King Europe GmbH with its registered office in Zug, Switzerland. Each of the franchise agreements covers a period of 10 years, with the possibility of extending it for a further 10-year period, which is conditional to meeting specific terms and conditions specified in the agreements. For restaurants opened between March 01, 2009 and June 30, 2010 and after this period the franchise agreement was prolonged from 10 to 20 years from the opening date of new restaurants, but without possibility to prolong this period for next 10 years.

The main terms and conditions of the signed "Development Agreement" are as follows:

- During the first two years after opening the first Burger King restaurant by the Group, BKE will pay to the advertising and sales promotion fund an amount equal to 2.5% of the monthly sales of all Burger King restaurants operated by the Group. During the third year of opening the first Burger King restaurant by the Group, BKE will pay to the advertising and sales promotion fund an amount equal to 2.0% of the monthly sales of all Burger King restaurants operated by the Group.
- During the first five years, the preliminary fee paid by the Group in respect of franchise agreements concluded for each Burger King restaurant for a period of 10 years will amount to USD 25.000 (should the Group extend the franchise period for a further 10 years, the fee for renewing the franchise will amount to another USD 25.000). Upon opening each consecutive Burger King restaurant exceeding the number of restaurants specified in the development plan, the preliminary fee will be reduced by 50%.

As at August 10, 2010 between BKE, AmRest Sp. z o.o., AmRest BK s.r.o.(present AmRest s.r.o. after the merger as at December 28, 2011) and Company was signed “Strategic Development Agreement” partially amending “Development Agreement” and franchise agreement signed with AmRest Sp. z o.o. and AmRest BK s.r.o., considering opening and running Burger King restaurants, accordingly, in Poland and Czech Republic.

Agreement describes terms of opening and operating new Burger King restaurant in Poland and Czech Republic. In this agreement were agreed amounts of new Burger King restaurants, that AmRest Sp. z o.o. in Poland and AmRest s.r.o. in Czech Republic is obliged to open in agreed timeframe. In this agreement were also agreed rules of modification in agreed chain development schedules for given year. It was also established in agreement that if AmRest Sp. z o.o. or AmRest s.r.o. will not fulfill their obligations from development agreements concerning amount of new openings, each side of agreement (Group and BKE) will have right to cancel development agreement according to rules described in development agreement.

Validity period of franchisee agreement, therefore licenses for Burger King restaurants opened in Poland in period from March 1, 2009 till June 30, 2010, and also for newly opened restaurants in Poland was extended from 10 to 20 years since date of restaurant opening, however without option of prolongation for next 10 years, what was provided in original development agreement with AmRest Sp. z o.o. In relation to restaurants opened in Poland in the period from March 1, 2009 to June 30, 2010 and in relation to restaurants opened in after this period (for franchise agreements for 20 years) was increased also amount of initial franchise payment from USD 25.000 to USD 50.000.

According to „Strategic development agreement”, Companies of the Group guaranteed to BKE fulfilling of AmRest Sp. z o.o. and AmRest s.r.o obligations resulting from development agreements. Companies of the Group are committed to cover any damages to BKE caused by the developers actions, that is AmRest Sp. z o.o. and AmRest s.r.o. Currenlty Group Companies are renegotiating terms of above mentioned agreements, especially in the area planned development, in order to agree applicable terms of future development .

Agreement was signed for agreed period of time till June 30, 2015 with qualification, that period of agreement effectiveness will be extended till end of development agreement validity period for AmRest Sp. z o.o. and AmRest s.r.o.

As at June 30, 2012, the Group had 36 open Burger King restaurants.

On May 25, 2007, the Group signed agreements with Starbucks Coffee International, Inc. (“Starbucks”) relating to the development of Starbucks cafés in Poland, the Czech Republic and Hungary. The agreement covers a period to May 31, 2022 and provides for an option to extend it for another 5 years, after specific terms and conditions have been met.

The Parties established three separate companies in each of the 3 countries: Poland, the Czech Republic and Hungary. On March 27, 2007, a new company was established in Poland – AmRest Coffee Sp. z o.o. The Czech AmRest Coffee s.r.o. was established on August 14, 2007, and the Hungarian AmRest Kávézó Kft on August 31, 2007. These companies are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusivity rights to some of the institutional locations.

The Group took up 82%, and Starbucks 18% of the share capital in the newly established companies. In the third and fourth year after establishing the companies, if the Group does not meet the commitments relating to opening and operating a minimum number of Starbucks cafés in Poland, the Czech Republic and Hungary, Starbucks will be entitled to increase its share in the companies by purchasing additional shares (maximum up to 50%). In the fifth and ninth year Starbucks will have an unconditional option to increase its shares to a maximum of 50%. In the event of a disputed take-over or change of control over the Company and/or its shareholders, Starbucks will be entitled to increase its share to 100% by purchasing shares from the Group. According to Company’s Management assessment as at the day of this financial statement issuance, there are no material indicators making mentioned above options realizable.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

The Group will be obliged to develop and run Starbucks cafés in accordance with the development plan which stipulates the minimum number of cafés to be opened each year in the period of the agreements being in force. Should the Group not discharge the duties following from the development plan, Starbucks will be entitled to charge it contractual penalty or terminate the agreements. The Agreements also include provisions relating to deliveries of coffee and other basic raw materials from Starbucks or other approved or determined suppliers.

On July 9, 2008, AmRest LLC ("AmRest USA") purchased 80% of shares in Apple Grove Holdings LLC ("AGH"), a limited liability company with its registered office in Delaware, USA from Grove Ownership Holding LLC ("the Seller"), a limited liability company with its registered office in Georgia, USA.

The above transaction allowed the Group to enter the American restaurant market by acquiring 104 Applebee's® restaurants. AppleGrove Holdings LLC has a signed franchise agreement with Applebee's Franchising LLC. The preliminary fee paid by the Group in respect of signing the franchise agreement for each Applebee's® restaurant for a period of 20 years, with the option of extending it for a further 10 years, is USD 35.000.

On June 7, 2012 was signed the agreement concerned sale of Applebee's brand assets (note 6b).

As at June 30, 2012, the Group comprised the following subsidiaries:

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest Sp. z o.o.	Wroclaw, Poland	Restaurant activity in Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czech Republic	Restaurant activity in the Czech Republic	AmRest Holdings SE	100.00%	December 2000
AmRest TAG S.L.	Madrid, Spain	Holding activity	AmRest Holdings SE Steven Winegar Maria Elena Pato David Gorgues Carnice Others	76.27% 20.46% 1.69% 0.85% 0.73%	March 2011
AmRest HK Limited	Wan Chai, Hong Kong	Holding activity	AmRest Holdings SE Stubbs Asia Limited	65.00% 35.00%	September 2011
AmRest Finance S.L.	Madrid, Spain	Holding activity	AmRest Holdings SE	100.00%	December 2011
AmRestavia S.L.	Madrid, Spain	Holding activity	AmRest TAG S.L.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	Holding activity	AmRestavia S.L. AmRest TAG S.L.	16.52% 83.48%	April 2011
Restauravia Food S.L.U.	Madrid, Spain	Restaurant activity in Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Lleida, Spain	Restaurant activity in Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Restaurant activity in Spain	Pastificio Service S.L.U.	100.00%	April 2011
Tagligat S.L.U.	Lleida, Spain	Restaurant activity in Spain	Pastificio Service S.L.U.	100.00%	April 2011

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Pastificio S.L.U.	Lleida, Spain	Restaurant activity in Spain	Pastificio Service S.L.U.	100.00%	April 2011
AmRest Restaurants (India) Private Limited	Mumbai, India	Restaurant activity in India	Restauravia Grupo Empresarial S.L.	100.00%	October 2011
AmRest GmbH	Munich, Germany	Restaurant activity in Germany	Restauravia Grupo Empresarial S.L.	100.00%	March 2012
AmRest SAS	Paris, France	Restaurant activity in France	Restauravia Grupo Empresarial S.L.	100.00%	April 2012
AmRest Kft	Budapest Hungary	Restaurant activity in Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Capital ZRT	Budapest Hungary	Holding activity	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance ZRT	Budapest Hungary	Holding activity	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Ukraina t.o.w.	Kiev, Ukraine	Lack of running activity	AmRest Sp. z o.o.	100.00%	December 2005
AmRest Coffee Sp. z .o.o.	Wroclaw, Poland	Operation of coffee stores in Poland	AmRest Sp. z o. o. Starbucks Coffee International, Inc	82.00 % 18.00 %	March 2007
Bécsi út.13. Kft	Budapest Hungary	Owner of building, where the office surface is placed	AmRest Kft	100.00%	April 2007
AmRest EOOD	Sofia, Bulgaria	Restaurant activity in Bulgaria	AmRest Holdings SE	100.00%	April 2007
AmRest Coffee s.r.o.	Prague, Czech Republic	Operation of coffee stores in Czech Republic	AmRest Sp. z o. o. Starbucks Coffee International, Inc	82.00 % 18.00 %	August 2007
AmRest Acquisition Subsidiary Inc.	Wilming-ton, USA	Holding activity	AmRest Holdings SE	100.00%	May 2007
OOO AmRest	Petersburg Russia	Restaurant activity in Russia	AmRest Acquisition Subsidiary Inc. AmRest Sp. z o. o.	0.88 % 99.12 %	July 2007
AmRest Kávézó Kft	Budapest Hungary	Operation of coffee stores in Hungary	AmRest Sp. z o. o. Starbucks Coffee International, Inc	82.00 % 18.00 %	August 2007
AmRest d.o.o.	Belgrad, Serbia	Restaurant activity in Serbia	AmRest Sp. z o.o. ProFood Invest GmbH	60.00 % 40.00 %	October 2007
AmRest LLC	Wilming-ton, USA	Restaurant activity in USA	AmRest Sp. z o.o.	100.00%	July 2008
SCM Sp. z o.o.	Choto-mow, Poland	Delivery services for restaurants operated by the Group	AmRest Sp. z o.o. Zbigniew Cylny Beata Szafarczyk-Cylny	51.00 % 44.00 % 5.00 %	October 2008
AmRest Services Sp. z o.o.*	Wroclaw, Poland	Lack of running activity	AmRest Sp. z o.o	100.00%	April 2011

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest Work Sp. z o.o.	Wroclaw, Poland	Lack of running activity	AmRest Sp. z o.o	100.00%	March 2012
AmRest Adria d.o.o.	Zagreb, Croatia	Restaurant activity in Croatia	AmRest Sp. z o.o	100.00%	October 2011
La Tagliatella LLC	Wilming-ton, USA	Restaurant activity in USA	AmRestavia S.L.	100.00%	April 2012

* On March 1, 2012 the name of Rodeo Drive Sp. z o.o. was changed into AmRest Services Sp. z o.o.

As at June 30, 2012 , the Group posses the following associated entities included in the financial statements under the equity method:

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total Group vote	Date of effective control
SCM s.r.o.	Prague, Czech Republic	Delivery services for restaurants provided to the Group	SCM Sp. z o.o.	45.90 %	March 2007
BTW Sp. z o.o.	Warsaw, Poland	Commerial activity	SCM Sp. z o.o.	25.50%	March 2012

The Group’s office is in Wroclaw, Poland. At June 30, 2012, the restaurants operated by the Group are located in Poland, the Czech Republic, Hungary, Russia, Bulgaria, Serbia, Croatia, the USA and Spain.

b) Representations on compliance of the financial statements with the International Financial Accounting Standards

These Interim Condensed Consolidated Financial Statements as at and for the six months ended June 30, 2012 have been prepared in accordance with the IAS 34 Interim Financial Reporting.

These Interim Condensed Consolidated Financial Statements do not include all information or disclosures which are required in the annual financial statements and they should be read together with the annual Consolidated Financial Statements of the Group as at December 31, 2011.

Accounting policies on which bases the interim condensed consolidated financial statement prepared for the six months ended June 30, 2012 and consolidated financial statement for the year ended December 31, 2011 are consistent, except standards, changes in standards and interpretations which are mandatory for reporting periods beginning after January 1, 2012.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2012:

- Amendments to IFRS 7 “ Disclosures–Offsetting Financial assets and Financial Liabilities”;
- Amendments to IFRS 1 “ Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters”;
- Amendments to IAS 12 „Income taxes Deferred tax: Recovery of Underlying Assets”;
- Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”.

Above mentioned amendments to standards and interpretations were approved for use by European Commission before issuance of this financial statements. The Management Board believes that the changes and improvements will not have a material effect on the Company's financial statements.

Before the issuance date of this financial statements were published by IASB numerous standards and interpretations, which haven't entered into force, but some of them were approved for use by European Commission. The Company did not decide to for early adoption of any of these standards.

c) Seasonal fluctuations in production and sales

The seasonal fluctuations in sales and inventory of the Group are not significant which is characteristic for the entire restaurant industry.

The lowest sales are recorded 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 malls.

d) Form of presatation of the consolidated financial statements

The consolidated financial statements are presented in Polish zloty (PLN), rounded up/down to full thousands.

The financial statements were prepared on the historical cost basis modified for valuation of derivative instruments to their fair value.

The preparation of the IFRS financial statements requires the Management of the Company to make certain assumptions and estimates which are reflected in the accounting policy and that affect the reported amounts of assets and liabilities and reported revenues and expenses during the period. The results of the estimates and the respective assumptions being the result of experience and various factors deemed to be justified in given circumstances are the basis for assessing the values of assets or liabilities which do not result directly from other sources. The actual financial results may differ from the adopted estimates.

The estimates and the assumptions on which they are based are subject to current verification. The adjustment of accounting estimates is recognized in the period in which it was made, on condition that it only relates to that period, or in the period in which it was made, and in future periods, if it relates both to the current and future periods.

The most significant estimates and assumptions have occurred in the area of valuation of property, plant and equipment, intangible assets, including goodwill, put option liability, write-downs of account receivables, inventory and adjustments of deferred income tax. During the reporting period there was no significant change in the estimated amounts that have been reported in previous reporting periods except changes described in note 1f).

The functional currency of the Parent has changed from January 1, 2009, from USD into polish zlotys (PLN).

e) Going concern assumption

Information presented below should be read together with information provided in Note 6b), 14 and 22, describing accordingly: discontinued operations, borrowings and significant post balance sheet events after June 30, 2012.

Consolidated financial statements for the period of 6 months ended June 30, 2012 year were prepared in accordance with going concern assumption by the Group in foreseeable future, what assumes realization of assets and liabilities throughout the normal terms of Group business operations. Half year consolidated financial statements does not account for adjustments, which would be essential in other situation. As at the date of consolidated financial statement issuance in assessment made by Group Parent Entity there are no circumstances indicating threats for Group business going concern.

In Note "14 borrowings" are described financial liabilities resulting from loan agreement signed October 11, 2010 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. and Bank PEKAO S.A., RBS Bank (Polska) S.A., The Royal Bank of Scotland N.V. and Bank Zachodni WBK S.A. As consequence of this agreement and subsequent annexes new tranche of the loan was activated in the value of EUR 50 million. As at the balance sheet date EUR 10 million was used and additionally in the second half of 2012 will take place repayment of PLN 78 million. Proceeds from described in note 6b) disposal of Applebee's restaurants, which will be realized till the end of 2012 year according to management assumptions, will provide resources sources for Group development and investments. Management of Group parent entity had analyzed cash-flows for 12 months since balance sheet date of June 30, 2012 and available financing scenarios. As for the day of this financial statement issuance Management Board of Group parent entity have plans and realize actions aiming to provide successful refinancing of mentioned above liabilities from loans repayable in 12 months from June 30, 2012 year.

f) Adjustments

Comparable data were restated as a consequence of following adjustments:

I. During 12 months period since April 28, 2011, date of share acquisition in AmRest TAG S.L. (Note 2), were made adjustments for final settlement of accounting reconciliation of mentioned acquisition;

II. Based on new information on facts and cicrcumstances, that existed on acquisition date regarding conditions underlying the assumptions for put options liability valuation was updated (Note 2);

III. According to information provided in note 6b) Group classified operations of Applebee's brands as discontinued. It results together with IFRS5 requirements in presentation of income statement for year 2011 in modified form after deduction of appropriate income statement elements regarding Applebee's brands.

Below are presented schedules reconciling effect of mentioned above adjustments and reconciliations between data published for period of 6 months ended June 30, 2011 and reported in current period statements as data for period of 6 months ended June 30, 2011 and reported in current period statements as data for period of 12 months ended December 31, 2011.

Interim Consolidated Income Statement for the 6 months ended June 30, 2011

In thousands of Polish Zloty	**According to published financial statement for the 6 months ended June 30, 2011**	**Adjustment I**	**Adjustment II**	**Adjustment III**	**After adjustments**
Continuing operations					
Restaurant sales	1 110 065	-	-	(354 307)	755 758
Franchise and other sales	30 268	-	-	-	30 268
Total sales	1 140 333	-	-	(354 307)	786 026
Direct operating restaurant expenses:					
Food and material	(349 203)	-	-	95 637	(253 566)
Payroll and employee benefits	(281 552)	-	-	125 833	(155 719)

In thousands of Polish Zloty	**According to published financial statement for the 6 months ended June 30, 2011**	**Adjustment I**	**Adjustment II**	**Adjustment III**	**After adjustments**
Royalties	(58 360)	-	-	14 528	(43 832)
Occupancy and other operating expenses	(322 509)	-	-	90 997	(231 512)
Franchise and other expenses	(18 396)	(1 184)	-	-	(19 580)
General and administrative (G&A)	(69 873)	-	-	18 781	(51 092)
Impairment losses	(1 880)	-	-	-	(1 880)
Other operating income	5 363	-	-	(47)	5 316
Total operating costs and losses	(1 096 410)	(1 184)	-	345 729	(751 865)
Profit from operations	**43 923**	**(1 184)**	-	**(8 578)**	**34 161**
Finance costs	(16 909)	-	-	124	(16 785)
Cost from put option valuation	-	-	(3 588)	-	(3 588)
Finance income	4 113	-	-	(29)	4 084
Income from associates	49	-	-	-	49
Profit before tax	**31 176**	**(1 184)**	**(3 588)**	**(8 483)**	**17 921**
Income tax expense	(5 635)	-	-	101	(5 534)
Profit for the period from continuing	**25 541**	**(1 184)**	**(3 588)**	**(8 382)**	**12 387**
Discontinued operations					
Profit on discontinued operations	(723)	-	-	8 382	7 659
Profit for the period	**24 818**	**(1 184)**	**(3 588)**	**-**	**20 046**
Profit attributable to:					
Non controlling interests	1 587	-	-	-	1 587
Equity holders of the parent	**23 231**	**(1 184)**	**(3 588)**	**-**	**18 459**
Profit for the period	24 818	(1 184)	(3 588)	-	20 046

Annual Consolidated Statement of Financial Position as at December 31, 2011

In thousands of Polish Zloty	According to published financial statement as at December 31,2011	Adjustment I	Adjustment II	After adjustments
Assets				
Property, plant and equipment	953 310	-	-	953 310
Goodwill	745 134	(2 071)	-	743 063
Other intangible assets	549 482	(56)	-	549 426
Investment property	22 081	-	-	22 081
Investment in associates	140	-	-	140
Leasing receivables	309	-	-	309
Other non-current assets	32 533	-	-	32 533
Deferred tax assets	36 309	-	-	36 309
Total non-current assets	2 339 298	(2 127)	-	2 337 171
Inventories	40 770	-	-	40 770
Trade and other receivables	84 923	-	-	84 923
Corporate income tax receivables	3 165	-	-	3 165
Leasing receivables	161	-	-	161
Other current assets	15 716	-	-	15 716
Other financial assets	2 863	-	-	2 863
Cash and cash equivalents	143 960	-	-	143 960
Total current assets	291 558	-	-	291 558
Total assets	**2 630 856**	**(2 127)**	**-**	**2 628 729**
Equity				
Share capital	714	-	-	714
Reserves	489 273	-	78 981	568 254
Retained earnings	145 694	(56)	6 240	151 878
Translation reserve	136 533	(160)	-	136 373
Equity attributable to shareholders of the parent	772 214	(216)	85 221	857 219
Non- controlling interests	155 577	(50)	-	155 527
Total equity	927 791	(266)	85 221	1 012 746
Liabilities				
Interest-bearing loans and borrowings	838 946	-	-	838 946
Finance lease liabilities	3 429	-	-	3 429
Employee benefits	6 570	-	-	6 570
Provisions	7 573	-	-	7 573
Deferred tax liability	162 117	-	-	162 117
Put option liability	280 812	-	(85 221)	195 591
Other non-current liabilities	18 582	-	-	18 582
Total non-current liabilities	1 318 029	-	(85 221)	1 232 808
Interest-bearing loans and borrowing	77 956	-	-	77 956
Finance lease liabilities	252	-	-	252
Trade and other payables	300 842	(1 861)	-	298 981
Income tax liabilities	4 222	-	-	4 222
Other financial liabilities	1 764	-	-	1 764
Total current liabilities	385 036	(1 861)	-	383 175
Total liabilities	1 703 065	(1 861)	(85 221)	1 615 983
Total equity and liabilities	**2 630 856**	**(2 127)**	**-**	**2 628 729**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Interim consolidated financial statement of changes in equity for the 6 months ended June 30, 2012 presents change of comparable data as at June 30, 2011 as below:

	Attributable to equity holders						
	Issued capital	Reserved capital	Retained earnings	Cumulative translation adjustments	**Total equity attributable to equity holders of the parent**	Non-controlling interests	**Total Equity**
As at June 30, 2011	713	648 784	120 440	34 039	**803 976**	86 451	**890 427**
Adjustment II	-	(36 255)	(4 772)	-	**(41 027)**	-	**(41 027)**
As at June 30, 2011 (after adjustment)	713	612 529	115 668	34 039	**762 949**	86 451	**849 400**

g) Unusual events affecting the operating activities

During the reporting period no significant unusual events have been identified.

h) Issuances, repurchases and repayments of debt and equity securities

During the reporting period no issuances, repurchases and repayments of debt and equity securities have been identified.

i) Dividends paid and received.

In the period covered by this Interim Condensed Consolidated Financial Statements Group has paid dividend to non controlling interest owner, of SCM Sp. z o.o. in the value of PLN 490 thousand and has received dividend from SCM s.r.o. in the value of PLN 58 thousand.

j) Changes in future and contigent liabilities

As in the previous reporting period, the Company's future liabilities follow on from the Franchise Agreements and Development Agreement.

Restaurants are operated in accordance with franchise agreements with YUM! and its subsidiaries and Starbucks Coffee International , Inc and Burger King Europe GmbH.

These franchise agreements typically require that the Group pays an initial non-refundable fee upon the opening of each new restaurant, continuing fees of 6% of revenues and commits 5% of revenue to advertising as specified in the relevant agreements. In addition, after completion of the initial contract period, the Group may renew the franchise agreement, which is a subject to a renewal fee.

Initial non-refundable fees constitute in substance rights to use Pizza Hut and KFC trademarks and are classified as intangible asset and amortized over the period of the franchise agreement (usually 10 years). Other fees are recognized in the profit and loss account when incurred. Renewal fees are amortized over the renewal period when a renewal agreement comes into force.

The initial fees paid are approximately USD 45.500 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 are as follows:

- The license is granted for 10 years from the date on which the restaurant starts operating. Franchisee has the right to extend the contract for a further period of 10 years after the completion of certain conditions. The franchisee is entitled to extend the agreement for a further 10 years after meeting specified terms and conditions.This conditions were described in initial development agreement with AmRest Sp. z o.o. For restaurants opened in Poland after March 1, 2009 the license was overlong from 10 to 20 years without option of prolongation for next 10 years.
- Franchisee will pay to the franchisor monthly continuing franchise fees of 5% of the sales revenue of the Burger King restaurant run by the franchisee. The fee will be added to the income statement when it incurred in category continuing franchise fees.
- The Franchisee will pay to the Franchiser a monthly fee for sales advertising and promotion of 5% of the sales revenue of the Burger King restaurants operated by the Franchisee. The fee will be added to the income statement when it incurred in category direct marketing costs.

The key fees and costs to be incurred by the Group relating to agreements with Starbucks Coffee International, Inc. Section (a) are as follows:

- The fee for development and the fee for providing services of USD 950 thousand, relating to the preliminary operating support (settled from other assets into general and admin expenses of Starbucks subsidiaries).
- The preliminary franchise fee of USD 25 thousand per each opened Starbucks café (capitalized as intangible asset and amortized during the franchise agreement period).
- A fixed licence fee equal to 6% of sales revenues of each of the Starbucks cafés (added to the income statement when it incurred in category continuing franchise fees).
- The local marketing fee the amount of which will be determined annually between the parties to the agreements (added to the income statement when it incurred in category direct marketing costs).

The key fees and costs to be incurred by the Group relating to agreements with Applebee’s Franchising LLC Section (a) are as follows:

- The preliminary franchise fee of USD 35 thousand per each opened Applebee’s restaurant (capitalized as intangible asset and amortized during the franchise agreement period).
- A fixed license fee equal to 5% of sales revenues of each of the Applebee’s restaurants (added to the income statement when it incurred in category continuing franchise fees).
- The franchisee will pay to the franchiser a monthly fee for advertising and promoting sales in an amount of no less than 2.75% of sales of the Applebee’s restaurants operated by the Franchisee, in recognition of the fact that the Franchiser may increase the fee to 4% (added to the income statement when it incurred in category direct marketing costs).
- Additionally, the franchisee is obliged to incur expenses on local marketing of 1% of the sales revenue of the Applebee’s restaurants.

New operating activities of the Group required the determination of following accounting principles:

- generally the franchise agreement covers a 10 year period and provides an option of extension for another 10 (for agreements signed after 2006) or 5 years (for agreements signed before 2006). Some franchise agreements were signed for the period from 9 to 20 years.
- revenues of the Group consist of sales by Company operated restaurants and fees from franchisees and license are recognized when payment is rendered at the time of sale;
- fees for using own brand paid by franchisees to the Group as a 6% from the sales (continued fees) are recognized as earned;
- intangible assets, covering relationships with franchise clients, recognized during the acquisition process are amortized within the average period of the contractual relationship with franchise clients and own brand is treated as non amortized asset due to infinite useful life.

k) *Earnings per share*

The basic and diluted earnings per ordinary share for the 6-months period of 2012 and 2011 was calculated as follows:

In thousands of Polish Zloty	**Six months ended June 30, 2012**	**Six months ended June 30, 2011**
Net profit from continued operations attributable to equity holders of the parent company	9 219	10 800
Net profit from discontinued operations attributable to equity holders of the parent company	9 397	7 659
Net profit attributable to equity holders of the parent company	18 616	18 459
Weighted average number of ordinary shares in issue	21 213 893	19 975 767
Impact of share issuance	-	1 229 922
Impact of option of share issuance	-	-
Impact of share options awarded in 2005	19 316	21 499
Impact of share options awarded in 2006	16 110	21 510
Impact of share options awarded in 2007	-	-
Impact of share options awarded in 2008	-	-
Impact of share options awarded in 2009	18 304	29 382
Impact of share options awarded in 2010	22 955	5 995
Impact of share options awarded in 2011	53 904	-
Impact of share options awarded in 2012	-	-
Weighted average number of ordinary shares for diluted earnings per share	21 344 482	21 284 075
Basic earnings per ordinary share	0,88	0,92
Diluted earnings per ordinary share	0,87	0,87
Basic earnings from continued operations per ordinary share	0,44	0,54
Diluted earnings from continued operations per ordinary share	0,43	0,51
Basic earnings from discontinued operations per ordinary share	0,44	0,38
Diluted earnings from discontinued operations per ordinary share	0,44	0,36

2. Segment reporting

Operating segments were set on the basis of management reports used by Executive Committee during making strategic decisions. Executive committee verifies group performance while deciding of owned resources allocations in breakdown for each restaurant in entire AmRest Group except Western Europe. Because most of the criteria for aggregation of operating segments are met (individually not exceed set in IFRS8 materiality thresholds) Group presents them in reportable segment by geographical split in which Group operations are realized.

Entrance to the Western Europe market by acquisition of Spanish Group (in further part of the Note 2) had significant impact on the management and control method of the Group activity which was the reason of the change in aggregation of operating segments compared to previous years. Western Europe and emerging markets as segment created as a consequence of acquisition in 2011 year are subject to integration, during which financial results are periodically monitored on aggregated basis, that are verified in more details according to business needs. Additionally in 2012 to Western Europe segment were added emerging markets (India and Hong Kong).

Below are presented data relating to operating segments for the six-months period ended June 30, 2012 and for the comparative period ended June 30, 2011.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

	CEE	Western Europe and emerging markets	USA*	Russia	Unallo-cated	Total
Six months ended June 30, 2012						
Revenue from external customers	707 526	258 039	-	147 201	-	1 112 766
Inter- segment revenue	-	-	-	-	-	-
Operating profit/ (loss)	18 610	27 517	-	8 534	(1 257)	53 404
Finance costs	-	-	-	-	(38 891)	(38 891)
Finance income	-	-	-	-	1 708	1 708
Share of profit of associates	10	-	-	-	-	10
Income tax	-	-	-	-	(2 919)	(2 919)
Deferred tax assets	24 782	7 534	3 466	355	269	36 406
Profit for the period from continuing operations	-	-	-	-	13 312	13 312
Profit for the period from discontinued operations	-	-	9 397	-	-	9 397
Profit for the period	-	-	9 397	-	13 312	22 709
Segment assets	817 328	1 138 513	307 603	283 733	77 333	2 624 510
Investments in associates	346	-	-	-	-	346
Total assets	817 674	1 138 513	307 603	283 733	77 333	2 624 856
Goodwill	26 113	401 712	-	146 237	-	574 062
Assets available for sale	-	-	276 112	-	-	276 112
Segment liabilities	156 626	261 587	49 499**	19 517	1 112 061	1 599 290
Pension, health care, sickness fund state contributions	31 389	8 368	-	7 297	-	47 054
Depreciation	49 643	14 010	-	9 749	-	73 402
Amortization	4 196	5 282	-	223	-	9 701
Capital investment	63 704	38 682	12 315	26 984	-	141 685
Impairment of fixed assets	4 034	-	-	-	-	4 034
Impairment of trade receivables	432	140	-	(347)	-	225

	CEE	Western Europe and emerging markets	USA*	Russia	Unallo-cated	Total
Six months ended June 30, 2011						
Revenue from external customers	613 374	74 028	-	98 624	-	786 026
Inter- segment revenue	-	-	-	-	-	-
Operating profit/ (loss)	19 712	10 374	-	7 809	(3 734)	34 161
Finance costs	-	-	-	-	(20 373)	(20 373)
Finance income	-	-	-	-	4 084	4 084
Share of profit of associates	49	-	-	-	-	49
Income tax	-	-	-	-	(5 534)	(5 534)
Deferred tax assets	8 049	2 300	-	585	-	10 934
Profit for the period from continuing operations	-	-	-	-	12 387	12 387
Profit/(loss) for the period from discontinued operations	-	-	8 382	-	(723)	7 659
Profit for the period	-	-	8 382	-	11 664	20 046

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Segment assets	721 803	1 013 983	254 476	234 458	58 752	2 283 472
Investments in associates	116	-	-	-	-	116
Total assets	721 919	1 013 983	254 476	234 458	58 752	2 283 588
Goodwill	26 325	331 960	121 212	140 132	-	619 629
Segment liabilities	136 792	239 596	49 451	15 862	981 931	1 423 632
Pension, health care, sickness fund state contributions	27 007	2 522	20 615	6 085	-	56 229
Depreciation	42 269	3 662	-	5 937	-	51 868
Amortization	3 947	1 591	-	144	-	5 682
Capital investment	86 236	596 472	11 647	13 361	-	707 716
Impairment of fixed assets	1 829	-		-	-	1 829
Impairment of trade receivables	51	-		-	-	51

* *significant assets concerning USA segment were classified as assets held for sale and its results for the period from January 1, 2012 to June 30, 2012 and comparable period were classified as discontinued according to IFRS 5.*
** including l*iabilities of disposal group classified as held for sale in the value of PLN 44 588 thousand.*

Capital expenditure comprises increases in property, plant and equipment (Note7), intangible assets (Note 8).

The “CEE” column relates to companies located in Poland, Czech, Bulgaria, Serbia, Croatia and Hungary. Poland as significant geographical region has following key values:

	Six months ended June 30, 2012	Six months ended June 30, 2011
Revenue from external customers	492 406	419 847
	30.06.2012	**31.12.2011**
Total of non-current assets other than financial instruments, deferred tax assets (employment benefit asset and rights under insurance contracts are not recorded)	479 782	468 634

The “Western Europe and emerging markets” column applies to companies located in Spain, France, Germany, India and Hong Kong. In Western Europe and emerging markets can be identified following activities: operating franchised KFC restaurants, operating proprietary brands restaurants and franchise and other activity. Revenue from external customers for the period of 6 months ended June 30, 2012 were accordingly for mentioned type of activities PLN 100.413 thousand, PLN 94.544 thousand and PLN 63.082 thousand (for the period of 2 months from the acquisition date till June 30, 2011: PLN 30.750 thousand, PLN 23.743 thousand, PLN 19.535 thousand). Depreciation and amortization for the period of 6 months ended June 30, 2012 were accordingly for mentioned type of activities PLN 4.543 thousand, PLN 7.287 thousand and PLN 1.526 thousand plus unallocated depreciation and amortization costs for administration and consolidation adjustments PLN 5.935 thousand (for the period of 2 months from the acquisition date till June 30, 2011: PLN 2.207 thousand, PLN 2.080 thousand, PLN 451 thousand, PLN -669 thousand). As at June 30, 2012 value of property, plant and equipment together with other intangible assets were: for franchised KFC restaurants - PLN 65.044 thousand and for proprietary brands restaurants and franchise and other activity –PLN 649.145 thousand.

The “Unallocated” column relates to asset and liability balances non-allocated to segments (covering borrowings and lease liabilities) and transactions of AmRest Holdings SE and subsidiary located in the Ukraine and following companies AmRest Capital Zrt, AmRest Finance Zrt and AmRest Finance S.L. and financial costs and incomes, share profit of associates, income tax, net income from continued operation, total net income.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Value of assets and liabilities and results of given reporting segments have been established on the basis of Group accounting policies, compliant with policies applied for preparation of this financial statements.

Goodwill was allocated to given reporting segments.

Entry to the restaurant market in Spain
Acquisition of Restauravia Grupo Empresarial S.L.

DESCRIPTION OF ACQUISITION
On March 15, 2011, AmRest Tag S.L. acquired 100% of AmRestavia S.L shares.
On March 15, 2011, AmRest Holdings SE acquired 100% of AmRest Tag S.L. shares, with its registered office in Madrid, Spain. The transaction value was PLN 357.048 thousand (EUR 90 million) and amount paid within the loan given was PLN 189.316 thousand (EUR 47.720 thousand). The purpose of the acquisition of above mentioned companies was the purchase of 100% shares in Restauravia Grupo Empresarial S.L. ("RGE").

On April 28, 2011, the Group acquired 100% shares in Restauravia Grupo Empresarial S.L. from Corpfin Capital Fund III F.C.R., Corpfin Capital S.A. S.C.R., Corpfin Capital Fund III SBP F.C.R., Delta Spain S.A.R.L. SICAR, known as „Shareholders Corpfin" and Ms. María Elena Pato-Castel Tadeo, Mr. David Gorgues Carnicé, Kenvest Restoration S.L. and Ebitda Consulting S.L. As a result of shares purchase in RGE, both companies acquired on March 15, 2011 became shareholders of RGE AmRest Tag 83.48% and AmRestavia 16.52%. Additionally 23.73% of shares in AmRest Tag were covered by existing shareholders of the RGE. On April 26, 2011 AmRest Sp. z o.o. signed with AmRest Tag S.L. the loan agreement in amount EUR 47.720 thousand. The loan is treated as a part of the purchase price.

On April 28, 2011 the Group Restauravia Grupo Empresarial S.L., through its subsidiaries, operated 60 own restaurants in Spain: 30 KFC, 20 La Tagliatella, 6 il Pastificcio and 4 Trastevere. Additionally the Group owns assets of the central kitchen which supports restaurant business and product delivery to own restaurants and franchised units.

As a result of above transactions the group became the owner of brands: il Pastificcio, Trastevere and La Tagliatella which has significant growth potential in Spain and other countries. Additionally the group became the biggest franchisee of KFC brand in Spain. Above transactions were the next step for the Group to become the dominant restaurant network in Europe.

ALLOCATION OF THE ACQUISITION PRICE
Details of the fair value of the acquired net assets, goodwill and acquisition price as at the acquisition date are presented below:

	Carrying amount	Adjustment of fair value and other adjustments	Fair value (finaly)
Cash and cash equivalents	33 582	-	33 582
Property, plant and equipment	115 429	16 845	132 274
Other intangible assets	34 221	(39)	34 182
La Tagliatella brand	-	257 868	257 868
Intangible asset – relationships with franchisees	-	170 590	170 590

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Favorable leases	-	4 535	4 535
Inventories	11 691	-	11 691
Trade and other receivables	22 185	-	22 185
Other current assets	488	-	488
Deferred tax assets	7 629	749	8 378
Other non-current assets	2 103	-	2 103
Trade and other payables	(259 997)	-	(259 997)
Contingent liability concerned tax	-	(3 812)	(3 812)
Deferred tax liabilities	-	(135 692)	(135 692)
Net assets acquired	(32 669)	311 044	278 375
Amount paid in cash			357 048
Amount paid within loan given			189 316
Purchase price adjustment			(1 647)
Non-controlling interests (23.73%)			111 081
Total payment from acquisition			655 798
Indemnification asset			(3 432)
The fair value of net assets			(278 375)
Goodwill			373 991
Amount paid in cash			546 363
Acquired cash and cash equivalents			(33 582)
Cash outflows on acquisition			512 781

The purchase price presented in condensed interim consolidated financial statements as at and for six months ended June 30, 2012, which included the transaction value PLN 357.048 thousand (EUR 90 million), and amount paid within the loans given PLN 189.316 thousand (EUR 47.720 thousand) was adjusted by PLN 5.078 thousand, which includes recognition of indemnification assets in amount of PLN 3.432 thousand (EUR 865 thousand), and purchase price adjustment by the value of PLN 1.646 thousand (EUR 415 thousand). All purchase price adjustments are the result of specific arrangements with the seller in agreement mentioned above.

The fair value of net assets in condensed annual consolidated financial statements as at and for twelve months ended December 31, 2011, presented in the value of PLN 276.514 thousand was adjusted by PLN 1.861 thousand (EUR 469 thousand) which includes an increase of intangible assets value by PLN 12.366 thousand (EUR 3.117 thousand) and increase of other settlements by PLN 10.505 thousand (EUR 2.648 thousand).

The fair value of net assets in condensed interim consolidated financial statements as at and for six months ended June 30, 2011, presented in the value of PLN 282 175 thousand was adjusted by PLN 3800 thousand (EUR 958 thousand) which includes an accrual for tax payables in the value of PLN 3 812 thousand (EUR 961 thousand), reduction of property, plant and equipment fair value by PLN 2 508 thousand (EUR 632 thousand), increase of intangible asset book value in amount of PLN 12 366 thousand (EUR 3 117 thousand), recognition of deferred tax asset in amount of PLN 749 thousand (EUR 189 thousand) and reduction of other settlements by PLN 10 595 thousand (EUR 2 671 thousand).

All purchase price and the fair value of net assets adjustments are the result of specific arrangements with the seller in mentioned agreement mentioned above. Indemnification assets consider events covered by sellers guarantee within tax settlements prior the acquisition date.

The acquisition was presented according to preliminary values (preliminary values concerned assets and liabilities, purchase price, non-controlling interests and put option liability). In the second quarter of 2012 the calculation of this transaction was finalized due to end of valuation process. The effect was presented according to MSSF3 since transaction date, Comparative periods were adjusted.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

As at June 30, 2012 purchase price adjustment and indemnification asset were settled.

Fair value adjustment are:

	Title	Methods/key assumptions
Property, plant and equipment Other intangible assets	Assets held by acquired entities	The calculation of fair value
La Tagliatella brand	Registered proprietary brand of La Tagliatella together with know-how	Relief from royalty method / 5,5% royalty rate at discount rate 14.5%
Intangible asset – relationships with franchisees	Value of franchise client relationships based on agreed terms of cooperation	Multi-period excess earnings method (MEEM) / 78 restaurants at discount rate 13%
Favorable leases	12 lease agreements in Barcelona and Madrid	Discounted difference in market and non-market rent levels / discount rate 11.8%
Deferred tax assets	Deferred tax on property, plant and equipment fair value adjustment	30% income tax rate
Contingent liability concerned tax	Income tax settlement adjustments together with additional fees incurred subsequently to acquisition date but resulting from previous periods	Value of tax adjustments and additional fees which were assessed while tax settlement review and acquisition agreement terms.
Deferred tax liabilities	Deferred tax on assets fair value	30% income tax rate

The process of allocating the acquisition price to the purchased assets and acquired liabilities was completed, due the ongoing process of integration and verification of certain risk, especially tax settlements and owned business asset portfolio. Above presented price adjustment reflects current status of allocation process.

The fair value and the other adjustments presented in the table above relate mainly to:

- fair value measurement of property, plant and equipment;
- fair value measurement of intangible assets;
- fair value measurement of deferred tax liabilities.

Goodwill was calculated on the basis of the fair value of acquired net assets and refers mainly to benefits from access to Spanish restaurant market clients and potential of acquired business concept of the own brand. Due to specific character of the restaurant business, the Group doesn't keep the record of its clients who aren't bounded with any agreement and aren't individually identified. The Group keeps the record of franchisees who operates La Tagliatella and Trastevere restaurants. Non-controlling interest were revaluated at fair value.
Fair Value of non- controlling interests in acquired Spanish business was valued on the basis of two methods: comparable quoted companies (market approach) and discounted cash flow (income approach). Spanish group has not been listed on stock exchange therefore there were not available market based data. Fair value was based on:

- 10 % non-controlling interests discount assumption with EV/EBITDA and EV/revenues ratio analysis for comparable companies in market approach,

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

- 11.7% discount rate assumption and residual value calculated based on 2% long-term growth rate in income approach.

PUT OPTION RECOGNITION

According to terms of the agreement AmRest owns "Call Option" to purchase total or part of AmRest TAG shares from non-controlling interest shareholders. AmRest has the right to realize Call option after 3 and to 6 years from the date of finalizing the agreement on May 1st and December 1st each year within this period. Non-controlling shareholders have the right to "Put Option" to sell total or part of shares. Put option can be realized after 3 and to 6 years from the date of finalizing the agreement. Additionally the Put Option may be exercised at any time in the following cases: (i) death of Mr. Steven Kent Wineger, (ii) formal initiation of the listing process of AmRest TAG's shares on a security exchange, (iii) AmRest's stock market price per share falls below 65 PLN. The price of both options will be equal 8.2 times of the EBITDA value for last 12 months, adjusted by net debt value on the day of option realization.

In the Group's consolidated financial statement as at June 30, 2012, liability relates to Put option valuation was presented in the amount of PLN 195.375 thousand (EUR 45.690 thousand). As at the date of the Group Restauravia Grupo Empresarial L.S. purchase the liability was equal to PLN 160.093 thousand (EUR 40.681 thousand). According to provisionary reconciliation published in financial statements for the period of 6 months ending June 30, 2011 liability was valued at PLN 155.463 thousand (EUR 38.996 thousand) and in financial statements for period of 12 months ended December 31, 2011 this liability amounted to PLN 280.812 thousand EUR 63.578 thousand), amounts were changed according to settlements of purchase price allocations and change of comparative data (Note1f). According to Group AmRest policy the valuation cost of the Put option in the value of PLN 6.179 thousand related to foreign exchange is presented in the comprehensive statement and in the statement of changes in consolidated equity and in the Notes 13.

Key managers of the Spanish market participate in motivation program which bases on exceeding goals of the business growth. As at June 30, 2012 the Group recognized costs concerned the program in amount of PLN 5.412 thousand (EUR 1.270 thousand).

INFLUENCE OF THE ACQUISITION ON THE CONSOLIDATED FINANCIAL STATEMENT

From the acquisition date to December 31, 2011 revenues of the Spanish Group were equal to PLN 346.804 thousand and net income – PLN 29.209 thousand. If acquisition mentioned above was dated at January 1, 2011, estimated consolidated revenues in the current period would increase by PLN 131.424 thousand and net income would increase by PLN 1.762 thousand. Calculated results of the Spanish Group concerned the period from January 1, 2011 to April 28, 2011.

3. Financial income

	Six months ended June 30, 2012	Six months ended June 30, 2011
Income from bank interest	1 526	2 836
Net foreign exchange gains	-	1 169
Other	182	79
	1 708	**4 084**

4. Financial costs

	Six months ended June 30, 2012	Six months ended June 30, 2011
Interest expenses	(24 765)	(14 378)
Cost from put option valuation	(5 963)	(3 588)

Net foreign exchange loss	(4 852)	-
Other	(3 311)	(2 407)
	(38 891)	**(20 373)**

5. Income tax

	Six months ended June 30, 2012	Six months ended June 30, 2011
Current tax	(6 236)	(3 547)
Change in deferred tax asset / liability	3 317	(1 987)
Income tax recognized in the income statement	**(2 919)**	**(5 534)**

	Six months ended June 30, 2012	Six months ended June 30, 2011
Deferred tax		
Profit/(loss) of net investment hedging valuation	1 197	(2 018)
Income tax recognized in the other comprehensive income	**1 197**	**(2 018)**

6. Discontinued operations

a) Rodeo Drive

In 2009 was taken the decision concerned excluding from AmRest Group portfolio proprietary brand Rodeo Drive. Negotiation concerned excluding Rodeo Drive from the Group were finalized, the transaction wasn't realized. Rodeo Drive Brand suspended its operating activity on April 19, 2011. Till June 30, 2012 significant assets concerning Rodeo Drive brand were liquidated and results of their for the period from January 1, 2011 to April 19, 2011 were classified as discontinued according to IFRS 5.

Results of own brand, Rodeo Drive, for the reporting years is presented below:

In thousands of Polish Zloty	Six months ended June 30, 2012	Six months ended June 30, 2011
Restaurant sales	-	634
Total sales	-	634
Company operated restaurant expenses:		
Food and material	-	(303)
Payroll and employee benefits	-	(560)
Occupancy and other operating expenses	-	(515)
General and administrative (G&A) expenses	-	(52)
Other operating income	-	73
Total operating cost and expenses	-	(1 357)
Loss from operation	-	(723)
Loss before tax	-	(723)
Income tax	-	-
Loss from discontinued operations	**-**	**(723)**

Own brand Rodeo Drive are as at December 31, 2011 operating fully in CEE segment.

The table below presents value of assets available for sale:

In thousands of Polish Zloty	**2011**
Assets available for sale	
As at 01.01.2011	1 405
Increases	-
Disposals – liquidation of the Rodeo Drive brand	(641)
Disposals – movement to investment property	(764)
As at 31.12.2011	-

b) Applebee's®

On June 7, 2012 was signed agreement concerning the sale of Applebee's brand assets. As a result of the agreement 98 from 102 Applebee's restaurants managed by the Group will be sold. As at June 30, 2012 negotiation regarding excluding and transferring this brand activity from the Group have taken place. The finalization of the agreement depends on fulfillment of additional conditions mainly approval of Supervisory Board, Applebee's International, American Antitrust Authority, banks (with which the Group has signed loan agreement) and approvals required in rental agreements, which party is the Seller. As at June 30, 2012 following conditions were redeemed: Supervisory Board and banks approval.

As at the June 30, 2012 significant assets concerning Applebee's brand were classified as assets held for sale and its results for the period from January 1, 2012 to June 30, 2012 were classified as discontinued according to IFRS 5. AmRest LLC's assets and liabilities connected with the transaction were remeasured to the lower of carrying amount and fair value less costs to sell at the date of held-for-sale classification.

On August 10, 2012 were signed the appendix to the sale of Applebee's brand assets agreement. According to it number of Applebee's restaurant increases from 98 to 99 (from 102 managed by the Group).

According to above approach all data for the 6-months period ended June 30, 2011 were adjusted by values concerned discontinued operation and differ from published data.

Results of brand Applebee's for the reporting years are presented below:

In thousands of Polish Zloty	**Six months ended June 30, 2012**	**Six months ended June 30, 2011**
Restaurant sales	411 643	354 307
Total sales	411 643	354 307
Company operated restaurant expenses:		
Food and material	(112 389)	(95 637)
Payroll and employee benefits	(143 506)	(125 833)
Royalties	(16 941)	(14 528)
Occupancy and other operating expenses	(106 826)	(90 997)
General and administrative (G&A) expenses	(22 297)	(18 781)
Other operating income	64	47
Total operating costs and losses	(401 895)	(345 729)
Profit from operation	**9 748**	**8 578**
Financial costs	(138)	(124)
Financial income	-	29
Profit before tax	**9 610**	**8 483**
Income tax	(213)	(101)

Profit from discontinued operations	**9 397**	**8 382**

	Six months ended June 30, 2012	**Six months ended June 30, 2011**
Other comprehensive income:		
Currency translation differences from conversion of foreign entities	(1 901)	(15 990)
Net investment hedges	1 372	10 620
Income tax concerning net investment hedges	(261)	(2 018)
Other comprehensive income for the period, net of tax	**(790)**	**(7 388)**
Total comprehensive income for the period	**8 607**	**994**

Brand Applebee's is as June 30, 2012 operating fully in USA segment.
The table below presents base categories assets and liabilities, which was classified as assets available for sale as at June 30, 2012:

In thousands of Polish Zloty	**30.06.2012**
Assets	
Inventories	6 641
Intagible asstes	19 308
Property, plant and equipment	98 758
Goodwill	149 263
Other current assets	1 830
Other non-current assets	312
Assets available for sale	**276 112**
Liabilities	
Trade and other payables	13 056
Provisions	24
Other current liabilities	27 424
Other non-current liabilities	4 084
Liabilities of disposal group classified as held for sale	**44 588**

7. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment in 2012 and 2011:

2012	Land	Buildings and expenditure on development of restaurants	Machinery & Equipment	Vehicles	Other tangible assets	Assets under con-struction	**Total**
Acquisition cost							
As at 01.01.2012	10 478	811 361	514 265	2 091	101 181	74 987	**1 514 363**
Additions	11	55 284	48 527	357	21 238	5 914	**131 331**
Disposals	-	(4 984)	(8 276)	-	(1 162)	(994)	**(15 416)**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Discontinued operations	-	(69 779)	(100 415)	-	-	(4 015)	**(174 209)**
Exchange rate differences	(170)	(9 412)	(5 897)	(25)	(1 565)	(750)	**(17 819)**
As at 30.06.2012	10 319	782 470	448 204	2 423	119 692	75 142	**1 438 250**
Accumulated depreciation							
As at 01.01.2012	-	267 220	237 446	1 119	33 275	-	**539 060**
Additions	-	36 774	36 456	238	9 724	-	**83 192**
Disposals	-	(4 137)	(7 894)	(7)	(1 139)	-	**(13 177)**
Discontinued operations	-	(19 124)	(56 327)	-	-	-	**(75 451)**
Exchange rate differences	-	(2 197)	(2 514)	(10)	(444)	-	**(5 165)**
As at 30.06.2012	-	278 536	207 167	1 340	41 416	-	**528 459**
Impairment losses							
As at 01.01.2012	-	15 919	4 774	-	581	719	**21 993**
Additions	-	3 140	671	13	-	(652)	**3 172**
Disposals	-	(413)	(29)	(13)	(1)	-	**(456)**
Exchange rate differences	-	(114)	(39)	-	(2)	(9)	**(164)**
As at 30.06.2012	-	18 532	5 377	-	578	58	**24 545**
Net book value 01.01.2012	**10 478**	**528 222**	**272 045**	**972**	**67 325**	**74 268**	953 310
Net book value 30.06.2012	**10 319**	**485 402**	**235 660**	**1 083**	**77 698**	**75 084**	885 246

2011	Land	Buildings and expenditure on development of restaurants	Machinery & Equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
Acquisition cost							
As at 01.01.2011	4 729	566 812	371 218	1 467	49 008	52 387	**1 045 621**
Acquisition (Note 2)	3 162	77 427	23 343	516	25 108	2 718	**132 274**
Additions	-	46 456	41 447	212	6 258	17 053	**111 426**
Disposals	-	(142)	(3 846)	(288)	(724)	(2 443)	**(7 443)**
Exchange rate differences	51	4 110	(382)	15	908	361	**5 063**
As at 30.06.2011	7 942	694 663	431 780	1 922	80 558	70 076	**1 286 941**
Accumulated depreciation							
As at 01.01.2011	-	206 110	174 774	850	20 368	-	**402 102**
Additions	-	27 954	27 529	163	5 661	-	**61 307**
Disposals	-	(606)	(3 599)	(289)	(635)	-	**(5 129)**
Exchange rate differences	-	1 290	(285)	11	402	-	**1 418**
As at 30.06.2011	-	234 748	198 419	735	25 796	-	**459 698**

Impairment losses

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

As at 01.01.2011	-	9 118	2 205	-	363	-	**11 686**
Additions	-	2 127	-	-	-	-	**2 127**
Disposals	-	-	(5)	-	-	-	**(5)**
Exchange rate differences	-	554	54	-	1	-	**609**
As at 30.06.2011	-	11 799	2 254	-	364	-	**14 417**
Net book value 01.01.2011	**4 729**	**351 584**	**194 239**	**617**	**28 277**	**52 387**	**631 833**
Net book value 30.06.2011	**7 942**	**448 116**	**231 107**	**1 187**	**54 398**	**70 076**	**812 826**

The depreciation was charged to the costs of restaurant operations – PLN 79.244 thousand (prior period: PLN 58.063 thousand), franchise expenses and other – PLN 1.669 thousand (prior period: PLN 187 thousand) and administrative expenses PLN 2.279 thousand (prior period: PLN 3.057 thousand). The depreciation increased discontinued operation costs by PLN 9.790 thousand (prior period: - PLN 9.439 thousand).

8. Other intangible assets

The table below presents changes in the value of intangible assets in 2012 and 2011:

2012	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, Applebee's trademarks	Other intangible assets	Relations with franchisees	**Total**
Acquisition cost						
As at 01.01.2012	287 092	7 914	60 788	86 684	189 922	**632 400**
Additions	-	240	4 446	5 668	-	**10 354**
Disposals	-	-	(398)	(148)	-	**(546)**
Discontinued operations	-	(1 273)	(12 768)	(15 126)	-	**(29 167)**
Exchange rate differences	(10 107)	(216)	(651)	(1 224)	(6 686)	**(18 884)**
As at 30.06.2012	276 985	6 665	51 417	75 854	183 236	**594 157**
Accumulated depreciation						
As at 01.01.2012	-	1 914	28 969	32 140	5 274	**68 297**
Adjustment I					56	**56**
As at 01.01.2012 after adjustment	-	1 914	28 969	32 140	5 330	**68 353**
Additions	-	634	2 342	3 463	3 804	**10 243**
Disposals	-	-	(398)	(36)	-	**(434)**
Discontinued operations	-	(358)	(7 573)	(1 928)	-	**(9 859)**
Exchange rate differences	-	(36)	(269)	(410)	(172)	**(887)**
As at 30.06.2012	-	2 154	23 071	33 229	8 962	**67 416**
Impairment losses						
As at 01.01.2012	-	-	837	17	-	**854**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

2012	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, Applebee's trademarks	Other intangible assets	Relations with franchisees	**Total**
Additions	-	-	148	714	-	**862**
Exchange rate differences	-	-	(4)	(9)	-	**(13)**
As at 30.06.2012	-	-	981	722	-	**1 703**
Net book value 01.01.2012	**287 092**	**6 000**	**30 982**	**40 760**	**184 592**	**563 193**
Net book value 30.06.2012	**276 985**	**4 511**	**27 365**	**41 907**	**174 274**	**525 042**

2011	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, Applebee's trademarks	Other intangible assets	Relations with franchisees	**Total**
Acquisition cost						
As at 01.01.2011	-	2 634	49 278	46 705	-	**98 617**
Acquisitions (Note 2)	257 868	4 535	1 484	32 698	170 590	**467 175**
Additions	-	-	3 587	3 112	-	**6 699**
Disposals	-	(894)	-	(36)	-	**(930)**
Exchange rate differences	1 261	(51)	(292)	(556)	834	**1 196**
As at 30.06.2011	259 129	6 224	54 057	81 923	171 424	**572 757**
Accumulated depreciation						
As at 01.01.2011	-	930	23 973	15 171	-	**40 074**
Additions	-	254	1 744	3 039	1 184	**6 221**
Disposals	-	(529)	(302)	(4)	-	**(835)**
Exchange rate differences	-	(10)	(187)	(12)	-	**(209)**
As at 30.06.2011	-	645	25 228	18 194	1 184	**45 251**
Impairment losses						
As at 01.01.2011	-	-	282	8	-	**290**
As at 30.06.2011	-	-	282	8	-	**290**
Net book value 01.01.2011	**-**	**1 704**	**25 023**	**31 526**	**-**	**58 253**
Net book value 30.06.2011	**259 129**	**5 579**	**28 547**	**63 721**	**170 240**	**527 216**

Other intangible assets cover mainly computer software.
The amortization was charged to the costs of restaurant operations – PLN 3.827 thousand (prior period: - PLN 2.377 thousand), franchise expenses and other – PLN 3.821 thousand (prior period: PLN 1 191 thousand) and administrative expenses - PLN 2.595 thousand (prior period: PLN 2.653 thousand). The amortization increased discontinued operation costs by PLN 542 thousand (prior period: - PLN 539 thousand).

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Proprietary brands

As at June 30, 2012 proprietary brands obtained in acquisition in Western Europe are presented as Trademarks in value of PLN 276.985 thousand. It was classified as intangibles with indefinite economic useful life therefore annual test of impairment are applicable.

9. Goodwill

The table below presents changes in the value of goodwill:

	30.06.2012	31.12.2011
Acquisition cost		
At the beginning of the period	743 063	293 347
Acquisitions (Note 2)	-	373 991
Decreases – Discontinued operations USA (Note 6)	(149 263)	-
Exchange rate differences	(19 738)	75 725
At the end of the period	574 062	743 063
Impairment losses		
At the beginning of the period	-	-
At the end of the period	-	-
Net book value as at the beginning of the period	743 063	293 347
Net book value as at the end of the period	574 062	743 063

Acquisitions in prior years

Goodwill as at June 30, 2012 of PLN 19.241 thousand (PLN 18.476 thousand as at December 31, 2011 after increasing by foreign exchange gains of PLN 765 thousand) relates to the acquisition of AmRest Kft in June 2006 (previous name: Kentucky System Kft).

Goodwill as at June 30, 2012 of PLN 5.961 thousand (PLN 6.130 thousand as at December 31, 2011 after being decreased by foreign exchange losses of PLN 169 thousand) relates to the acquisition of miklik's food s.r.o. in May 2005.

Goodwill as at June 30, 2012 of PLN 114.434 thousand (PLN 117.878 thousand as at December 31, 2011 after decreasing by foreign exchange losses of PLN 3.444 thousand) relates to gaining control over OOO Pizza Nord operating in Russia (actual name : OOO AmRest), in July 2007.

Goodwill as at June 30, 2012 of PLN 28.161 thousand (PLN 29.008 thousand as at December 31, 2011 after being decreased by foreign exchange losses of PLN 848 thousand) relates to purchase of 9 restaurants Rostiks KFC.

Goodwill as at June 30, 2012 of 3.642 thousand (PLN 3.752 thousand as at December 31, 2011 after being decreased by foreign exchange losses of PLN 110 thousand) is for the acquisition of 5 Rostiks KFC.

Goodwill as at June 30, 2012 of PLN 149.263 thousand (PLN 150.536 thousand as at December 31, 2011 after decreasing by foreign exchange losses of PLN 1.273 thousand) relates to the acquisition of Apple Grove Holdings in the USA.

Goodwill as at June 30, 2012 in value of PLN 911 thousand is related to increase in shares of SCM Sp. z o.o. (Goodwill as at December 31, 2011is in the same value).

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Goodwill as at June 30, 2012 of PLN 401.712 thousand (PLN 416.372 thousand as at December 31, 2011 after decreasing by PLN 1.862 thousand concerned purchase price adjustment and decreasing by foreign exchange losses of PLN 14.660 thousand) relates to the acquisition of Restauravia Grupo Empresarial S.L.

10. Inventories

As at June 30, 2012 and December 31, 2011, inventories cover mainly food and packaging used in the restaurants and additionally finished goods and work in progress prepared by central kitchen for the sale of La Tagliatella restaurants purposes. Inventories are presented in net value including write-downs. Inventory write-downs as at June 30, 2012 and December 31, 2011 amounted to PLN 89 thousand. No new inventory write-downs were recorded in the income statement for the six months ended June 30, 2012.

11. Trade and other receivables

	30.06.2012	**31.12.2011**
Trade receivables from non-related entities	45 065	61 987
Trade receivables from related entities (Note 21)	71	119
Other tax receivables	8 592	25 480
Other	6 084	2 978
Write-downs of receivables	(5 627)	(5 641)
	54 185	84 923

12. Cash and cash equivalents

Cash and cash equivalents as at June 30, 2012 and December 31, 2011 are presented in the table below:

	30.06.2012	**31.12.2011**
Cash at bank	127 562	121 682
Cash in hand	19 712	22 278
	147 274	143 960

13. Equity

Share capital

As described in Note 1a) On April 27, 2005, the shares of AmRest Holding N. V. were floated on the Warsaw Stock Exchange (“GPW”).

As at June 30, 2012, the Company held 21 213 893 issued, fully paid-up shares. The Company’s target capital is 500 000 shares. Nominal value of one share is 1 eurocent (EUR 0.01).

Holders of ordinary shares are authorized to receive dividend and have voting rights at the Group’s General Shareholders’ Meetings (“AGM”) proportionate to their holdings.

Reserves

Structure of other supplementary capital is as follows:

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

	Surplus over nominal value (share premium)	Non-refundable additional contributions to capital without additional issuance of shares made by the Group's shareholders before their debut on the WSE	Impact of put option valuation as net investment hedges	Employee Options	Hedges valuation influence	Transactions with non controlling interests	Reserves total
As at 01.01.2011	**586 857**	**6 191**	**-**	**12 641**	**2 508**	**(12 746)**	**595 451**
COMPREHENSIVE INCOMES							
Impact of net investment hedges valuation	-	-	-	-	10 620	-	10 620
Impact of put option valuation as net investment hedges	-	-	(756)	-	-	-	(756)
Deferred income tax concerning net investment hedges	-	-	-	-	(1 874)	-	(1 874)
Comprehensive income total	-	-	(756)	-	8 746	-	7 990
TRANSACTIONS WITH NON-CONTROLLING INTERESTS							
Put option recognition	-	-	(154 707)	-	-	-	(154 707)
Deferred income tax concerning put option	-	-	29 394	-	-	-	29 394
Transactions with non-controlling interests total	-	-	(125 313)	-	-	-	(125 313)
TRANSACTIONS WITH SHAREHOLDERS							
Share issue	169 534	-	-	-	-	-	169 534
Employees share option scheme – value of service	-	-	-	1 122	-	-	1 122
Transactions with shareholders total	169 534	-	-	1 122	-	-	170 656
As at 30.06.2011 according to published financial statement	756 391	6 191	(126 069)	13 763	11 254	(12 746)	648 784
Restated(Note 1f)	-	-	(36 111)	-	(144)		(36 255)
As at 30.06.2011	**756 391**	**6 191**	**(162 180)**	**13 763**	**11 110**	**(12 746)**	**612 529**
As at 01.01.2012 according to published financial statement	755 692	6 191	(259 065)	14 300	(15 099)	(12 746)	489 273
Restated (Note 1f)	-	-	78 981	-	-	-	78 981
As at 01.01.2012	**755 692**	**6 191**	**(180 084)**	**14 300**	**(15 099)**	**(12 746)**	**568 254**
COMPREHENSIVE INCOMES							
Impact of net investment hedges valuation	-	-	-	-	(6 297)	-	(6 297)
Impact of put option valuation as net investment hedges	-	-	6 179	-	-	-	6 179
Deferred income tax concerning net investment hedges	-	-	-	-	1 197	-	1 197
Comprehensive income total	-	-	6 179	-	(5 100)	-	1 079
TRANSACTIONS WITH							

SHAREHOLDERS							
Employees share option scheme – value of service	-	-	-	3 351	-	-	3 351
Transactions with shareholders total	-	-	-	3 351	-	-	3 351
As at 30.06.2012	**755 692**	**6 191**	**(173 905)**	**17 651**	**(20 199)**	**(12 746)**	**572 684**

Within the bank loans as at June 30, 2012 was disclosed loan for the amount of USD 47.5 million, which is hedging net investment in US operations – subsidiary AmRest LLC, it hedges Group against the foreign currency risk resulting from revaluations of net assets. Gain or loss from revaluation at appropriate exchange rate as of end of financial period of this liability balance are reflected into reserve capital in order to net the effect gains and losses on net investment in subsidiaries revaluation. During the 6-month period ended June 30, 2012 hedge was fully effective. As at June 30, 2012 cumulated value of currency revaluation recognized in reserve capital from net investment hedge in AmRest LLC with use of financial forward derivative instruments denominated in USD accounted for PLN 1.372 thousand and value of deferred income tax connected with this revaluation was PLN 263 thousand. As at December 31, 2011 cumulated value of currency revaluation recognized in reserve capital from cash flow hedges forward PLN 21.737 and value of deferred income tax connected with this revaluation was PLN 4.130 thousand.

As well within the bank loans as at June 30, 2012 was disclosed loan for the amount of EUR 90 million, which is hedging net investment in entities financing Spanish group – subsidiary AmRest TAG S.L., it hedges Group against the foreign currency risk resulting from revaluations of net assets. Gain or loss from revaluation at appropriate exchange rate as of end of financial period of this liability balance are reflected into reserve capital in order to net the effect gains and losses on net investment in subsidiaries revaluation. During the 6-month period ended June 30, 2012 hedge was fully effective. As at June 30, 2012 cumulated value of currency revaluation recognized in reserve capital from net investment hedge in AmRest TAG with use of financial forward derivative instruments denominated in EUR accounted for PLN 7.669 thousand and value of deferred income tax connected with this revaluation was PLN 1.197 thousand.

Group applies hedging accounting for revaluation of put option liability constituting net investment hedges in Spanish related party. As at June 30, 2012 cumulated value of currency revaluation recognized in reserve capital from net investment hedge in Spanish related party with use of financial forward derivative instruments denominated in EUR accounted for PLN 6.179 thousand. As at December 31, 2011 cumulated value of currency revaluation recognized in reserve capital from cash flow hedges forward PLN 19.991 thousand.

Foreign exchange differences on translation

Foreign exchange differences on translation cover all the foreign exchange differences resulting from the translation of the financial statements of the Company's foreign operations into Polish zloties.

14. Borrowings

Borrowings as at June 30, 2012 and December 31, 2011 are presented in the table below:

Long-term	**30.06.2012**	**31.12.2011**
Bank loans	718 830	689 454
Bonds	155 622	149 492
	874 452	838 946

Short-term	**30.06.2012**	**31.12.2011**

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Bank loans	74 467	77 956
	74 467	77 956

Bank loans and bonds

Currency	Lender/ book builder	Effective interest rate	30.06.2012	31.12.2011
in PLN	Syndicated bank loan	7,40%	192 124	189 724
in USD	Syndicated bank loan	3,37%	159 125	162 327
in EUR	Syndicated bank loan	4,30%	382 407	353 344
in CZK	Syndicated bank loan	4,11%	59 641	61 253
in RUB	Raiffeisen Bank Austria	-	-	762
in PLN	Bonds 5 years	8,33%	155 622	149 492
			948 919	916 902

Bank loans comprise mainly investment loans bearing a variable interest rate based on reference rates WIBOR, PRIBOR, USD-LIBOR and EURIBOR. Exposure of the loans to interest rate risk and contractual dates for changing the interest rates occur in 3-month cycles.

On 11 October 2010, a credit agreement was signed between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. ('Borrowers') and Bank PEKAO S.A., RBS Bank (Polska) S.A., The Royal Bank of Scotland N.V. and Bank Zachodni WBK S.A. Under the above-mentioned agreement the Group was granted a loan amounting to PLN 440 million. The loan should be repaid by October 11, 2015. It covers two tranches and is earmarked for repayment of liabilities resulting from the credit agreement dated December 15, 2008 and further financing of the development of AmRest. All the Borrowers are jointly and severally responsible for discharging the obligations resulting from the credit agreement. Additionally, Group companies – OOO AmRest, AmRest LLC, AmRest TAG S.L., AmRestavia S.L., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U. and Pastificio Service S.L.U. – granted guarantees to the financing banks. These companies guarantee that the Borrowers will discharge their obligations following from the credit agreement until the loan is repaid.

According to the appendix to the credit agreement, dated April 18, 2011, loan value was increased by EUR 80 million within tranches C1 and C2. Additional funds were assigned for financing the acquisition of majority shares in Restauravia Grupo Empresarial S.L. The final repayment of tranches C1 and C2 falls due on October 11, 2015.

As at August 8, 2011 all parties of credit agreement signed with Rabobank Polska S.A. the appendix according to which Rabobank Polska S.A. joined the consortium as the additional lender and took over part of debt from RBS Bank (Polska) S.A. and The Royal Bank of Scotland N.V. Loan value, interests, repayment date and other crucial terms of the agreement remained unchanged.

According to the appendix to the credit agreement, dated February 28, 2012, loan value was increased by EUR 50 million within tranche D. Additional funds were assigned for further financing of the development of AmRest restaurant chain in European countries. The final repayment falls due on November 11, 2015. As at June 30, 2012 AmRest Sp. z o.o. used EUR 10 million within tranche D. The rest of the value, EUR 40 million, is available till December 31, 2012.

The Group is obliged to maintain specific financial ratios at a level specified in the agreement. This includes net gearing (net debt to annualized EBITDA), net gearing modified by operational leases effect (net debt increased by annual operational leases multiplied by 6 times to annualized EBITDAR), interest coverage ratio and balance sheet structure ratio (net asset ratio defined as consolidated net capital per the shareholders of the Parent company divided by the balance sheet total). As at June 30, 2012, the above ratios were not exceeded.

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

The effective interest rates are similar to the market rates for specific borrowings. Therefore, the fair value of the liabilities presented above does not differ significantly from their carrying amounts.

As at December 7, 2009 AmRest Holdings SE signed with RBS Bank (Polska) S.A. and Bank Pekao S.A. agreement for bonds issuance (“5years bonds”), on the basis of which was released option program for corporate bonds of AmRest, allowing to issue 15.000 bonds for total nominal value of PLN 150 million. Agreement was signed for agreed period till July 9, 2015 with period extension options till repayment of all issued bonds.

On August 22, 2012 above mentioned agreement was replaced with the new one between AmRest Holding SE, AmRest Sp. z o.o. and Bank Pekao S.A. for the fixed date till December 31, 2019. The prolongation option is till redemption of all bonds issued. The total maximum value of the program remained the same and is equal to PLN 300 million. As at June 30, 2012, were issued PLN 150 million, the available limit under this plan was PLN 150 million and the payable concerned bonds issued is PLN 155.622 thousand.

The maturity of long- and short-term loans as at June 30, 2012 and December 31, 2011 is presented in the table below:

	30.06.2012	31.12.2011
Up to 1 year	74 467	77 956
Between 1 and 2 years	172 656	163 572
Between 2 and 5 years	701 796	675 374
More than 5 years	-	-
	948 919	916 902

The Group has the following unused, awarded credit limits as at June 30, 2012 and December 31, 2011:

	30.06.2012	31.12.2011
With floating interest rate		
- expiring within one year	23 663	23 483
- expiring beyond one year	361 391	190 704
	385 054	214 187

15. Other non-current liabilities

Other non-current liabilities cover mainly the long-term portion of deferred income of rents. Deferred income amount PLN 9.736 thousand and PLN 18.582 thousand respectively as at June 30, 2012 and December 31, 2011.

16. Trade and other payables

Trade and other payables as at June 30, 2012 and December 31, 2011 cover the following items:

	30.06.2012	31.12.2011
Payables to non-related entities, including:	**177 432**	**247 561**
Trade payables	103 142	153 586
Payables in respect of uninvoiced lease fees and deliveries of food	11 282	18 835
Employee payables	22 773	22 253
Social insurance payables	15 957	8 675
Other tax payables	7 992	17 670
Gift voucher liabilities	5 037	9 620

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

Other payables to non-related entities	11 249	16 922
Liabilities to related entities (Note 21)	2	38
Accruals, including:	**43 829**	**65 010**
Employee bonuses	15 503	16 724
Marketing services	1 812	2 631
Holiday pay accrual	10 546	9 358
Professional services	841	1 825
Franchise fees	5 682	5 229
Lease cost provisions	2 667	4 496
Payables of uninvoiced Capex deliveries	5 441	19 734
Other	1 337	5 013
Deferred income – short-term portion	940	81
Social fund	58	58
Total trade and other payables	**222 261**	**312 748**

17. Finance lease liabilities

Financial lease liabilities – current portion:

	30.06.2012	**31.12.2011**
Payable within 1 year	277	252
Payable from 1 to 5 years	1 798	1 485
Payable after 5 years	2 457	1 944
	4 532	3 681

Finance lease liabilities – minimum lease payments:

	30.06.2012	**31.12.2011**
Payable within 1 year	977	888
Payable from 1 to 5 years	4 546	4 618
Payable after 5 years	4 471	2 577
Total minimum lease payments	9 994	8 083
Future finance costs in respect of finance leases	(5 462)	(4 402)
Present value of finance lease liabilities	4 532	3 681

18. Operating lease

The Group concluded many irrevocable operating lease agreements, mainly relating to leases of restaurants. In respect of restaurants, lease agreements are concluded on an average for a period of 10 years and require a minimum notice period on termination.

The expected minimum lease fees relating to operating leases without the possibility of earlier notice are presented below:

	30.06.2012	**31.12.2011**
Payable within 1 year	136 151	127 408
Payable from 1 to 5 years	507 904	469 749
Payable after 5 years	449 950	378 378
Total minimum lease payments	1 094 005	975 535

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

In respect of many restaurants (especially those in shopping malls) lease payments comprise two components: a fixed fee and a conditional fee depending on the restaurant's revenues. The conditional fee usually constitutes from 2.5% to 9% of a restaurant's revenue.

19. Future commitments and contingent liabilities

In accordance with the franchise agreements signed, the Group is obliged to periodically improve the standard, modify, renovate and replace all or parts of its restaurants or their installations, marking or any other equipment, systems or inventories used in restaurants to make them compliant to the current standards. The agreements require no more than one thorough renovation of all installations, markings, equipment, systems and inventories stored in the back of each restaurant to comply to the current standards, as well as no more than two thorough renovations of all installations, markings, equipment, systems and inventories stored in the dining rooms of each of the restaurants during the period of a given franchise agreement or the period of potential extension of the agreement. The expenses for the purpose forecast by the Group amount to ca. 1.5% of annual sales form the restaurants' operations in the future periods.

Other future commitments resulting from the agreements with the Burger King, Starbucks and Applebee's and the current and future franchise agreements were described in Note 1a) and Note 1k).

According to Group Management above mentioned requirements are fulfilled and any discrepancies are communicated to third parties, mitigating any potential risks affecting business and financial performance of the Group.

20. Investment in associates

Changes to the value of investments in associates in consecutive periods are presented in the table below:

	30.06.2012	**31.12.2011**
At the beginning of the period	140	129
Share in profits of associates	10	72
Dividend payment	(60)	(61)
Purchase of shares in associated companies	256	-
Balance as at the end of the year	346	140

On March 15, 2012 it was set BTW Sp. z o.o. in which SCM Sp. z o.o. has 50% of shares. Its core business is commercial activity.

The Group's share in associates and the basic financial data of the entities are as follows:

Name of associate	Country of registration	Assets	Liabilities	Revenues	Profit/(Loss)	Shares held (%)
June 30, 2012						
SCM s.r.o.	Czech Republic	295	94	488	80	45,90
BTW Sp.z o.o.	Poland	423	29	-	(106)	25,50
December 31, 2011						
SCM s.r.o.	Czech Republic	463	196	425	157	45,90

Notes to the interim condensed consolidated financial statements (in PLN thousands unless stated otherwise)

21. Transaction with related parties

Trade and other receivables from related entities

	30.06.2012	31.12.2011
MPI Sp. z o. o.	10	22
Associates	61	97
	71	119

Trade and other payables to related entities

	30.06.2012	31.12.2011
MPI Sp. z o. o.	-	32
Associates	2	6
	2	38

Sales of goods for resale and services

	Six months ended June 30, 2012	Six months ended June 30, 2011
MPI Sp. z o. o.	7	37
Associates	10	2
	17	39

Purchase of goods for resale and services

	Six months ended June 30, 2012	Six months ended June 30, 2011
MPI Sp. z o. o.	127	587
Associates	-	1
	127	588

Transactions with the management/Management Board, Supervisory Board

The remuneration of the Management Board of AmRest Holdings SE paid by the Group was as follows:

	Six months ended June 30, 2012	Six months ended June 30, 2011
Remuneration of the members of the Management and Supervisory Boards paid directly by the Group	2 145	2 577
Total remuneration paid to the Management Board and Supervisory Board	2 145	2 577

On February 18, 2011 Wojciech Mroczynski signed sabbatical agreement with AmRest Sp. z o.o. According to the agreement, the remuneration for sabbatical leave period from March 1, 2011 to February 29, 2012 will be offset with bonus payable for first 3 years between 2012, 2013 and 2014. In the event of Wojciech Mroczynski voluntarily leaving the Company or being terminated for cause during the period between March 1, 2012 and February 28, 2018 he will reimburse the Company the unamortized portion of sabbatical remuneration net of income taxes and other statutory charges withheld from the remuneration received for the sabbatical period pro-rata based on the amortization period mentioned above, referred to as net sabbatical remuneration. Wojciech Mroczynski was reappointed as a Management Board Member of the Company on March 31, 2012. As at June 30, 2012 the balance of net sabbatical remuneration is PLN 410 thousand.

22. Events after the end of the reporting period

On July 5, 2012 were signed forward transactions on USD 15.000 thousand (with Bank Pekao S.A.), USD 10.000 thousand (with BZ WBK S.A.) and USD 10.000 thousand (with RBS Bank Polska S.A.) with execution date September 24, 2012. This transaction is designed to hedge foreign currency fluctuation risk exposure in connection to US Applebee's brand restaurant sale transaction to Apple American Group (note 6).

On July 10, 2012 based on Loan Agreement annex and signed Waiver Letter received remunerated approval of banks, that AmRest have signed Loan Agreement, for Applebee's brand restaurant sale transaction to Apple American Group (note 6). Banks received the waiver fee for signing the letter. The approval is conditioned to amending the shareholders agreement signed with AmRest TAG S.L. by removing put option till December 31, 2012. Management believes that it will satisfy this condition.

On August 22, 2012 AmRest Holdings SE signed the Bond Agreement with RBS Bank (Polska) SA and Bank Pekao SA („5-years bonds”), based on this agreement was activated the program of AmRest corporate bonds (note 14).

On August 28, 2012 the company AmRest Adria 2 d.o.o. was established in order to run restaurant activity in Slovenia.

Signatures of Board Members

Drew O'Malley
AmRest Holdings SE
Board Member

Mark Chandler
AmRest Holdings SE
Board Member

Wojciech Mroczynski
AmRest Holdings SE
Board Member

Wroclaw, August 31, 2012