

**AmRest Holdings SE**

**Interim Condensed Separate Financial Statements  
as at and for the six months ended  
June 30, 2014**



**Contents:**

	<b>Page</b>
<b>Interim Separate Income Statement</b>	<b>3</b>
<b>Interim Separate Statement of Comprehensive Income</b>	<b>3</b>
<b>Interim Separate Statement of Financial Position</b>	<b>4</b>
<b>Interim Separate Statement of Cash Flows</b>	<b>5</b>
<b>Interim Separate Statement of Changes in Equity</b>	<b>6</b>
<b>Notes to the Interim Separate Financial Statements</b>	<b>7</b>

**Drew O'Malley**  
**AmRest Holdings SE**  
**Board Member**

**Mark Chandler**  
**AmRest Holdings SE**  
**Board Member**

**Wojciech Mroczyński**  
**AmRest Holdings SE**  
**Board Member**

Wroclaw, August 14, 2014

**AmRest Holdings SE****Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2014.****Interim Separate Income Statement  
for the 6 months ended June 30, 2014**

<i>In thousands of Polish Zloty</i>	Noty	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>	
Other operating income		2 045	-	
General and administrative expenses (G&A)		(947)	(2 243)	
Finance income	9	8 510	6 107	
Finance cost	9	(8 394)	(5 987)	
<b>Profit/(loss) before tax</b>		<b>1 214</b>	<b>(2 123)</b>	
Income tax expense	10	(289)	614	
<b>Profit/(loss) for the period</b>		<b>925</b>	<b>(1 509)</b>	
<b>Basic profit/(loss) per share in Polish zloty</b>	14	0,04	(0,07)	0,60
<b>Diluted profit/(loss) per share in Polish zloty</b>	14	0,04	(0,07)	0,60

*The Interim Separate Income Statement has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements. Quarterly information is available in Directors' Report for the first half of the 2014.*

**Interim Separate Statement of Comprehensive Income  
for the 6 months ended June 30, 2014**

<i>In thousands of Polish Zloty</i>	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
<b>Profit/(loss) for the period</b>	<b>925</b>	<b>(1 509)</b>
<b>Other comprehensive income</b>	-	-
<b>Other comprehensive income for the period, net of tax</b>	-	-
<b>Total comprehensive income for the period</b>	<b>925</b>	<b>(1 509)</b>

*The Interim Separate Statement of Comprehensive Income has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements. Quarterly information is available in Directors' Report for the first half of the 2014.*

**AmRest Holdings SE****Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2014.****Interim Separate Statement of Financial Position  
as at June 30, 2014**

<i>In thousands of Polish Zloty</i>	Note	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Assets</b>			
Property, plant and equipment		19	19
Other intangible assets		493	444
Investment in associates	2	888 155	858 830
Other non-current financial assets	3	232 500	242 500
Deferred tax assets	10	-	718
<b>Total non-current assets</b>		<b>1 121 167</b>	<b>1 102 511</b>
Trade and other receivables	5	881	4 093
Income tax receivables	5	820	-
Other current assets		230	30
Other financial assets	3	13 566	13 182
Cash and cash equivalents	8	21 389	36 704
<b>Total current assets</b>		<b>36 886</b>	<b>54 009</b>
<b>Total assets</b>		<b>1 158 053</b>	<b>1 156 520</b>
<b>Equity</b>			
Share capital		714	714
Reserves	7	794 499	791 414
Retained Earnings	7	72 169	71 464
<b>Total Equity attributable to shareholders of the parent</b>		<b>867 382</b>	<b>863 592</b>
<b>Liabilities</b>			
Deferred tax liabilities	10	13	-
Other non-current finance liabilities	4	139 304	139 226
<b>Total non-current liabilities</b>		<b>139 317</b>	<b>139 226</b>
Other current finance liabilities	4	150 195	150 410
Trade and other payables	6	1 159	3 292
<b>Total current liabilities</b>		<b>151 354</b>	<b>153 702</b>
<b>Total liabilities</b>		<b>290 671</b>	<b>292 928</b>
<b>Total equity and liabilities</b>		<b>1 158 053</b>	<b>1 156 520</b>

*The Interim Separate Statement of Financial Position has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.*

**AmRest Holdings SE****Interim Condensed Separate Financial Statements as at and for the six months ended June 30, 2014.****Interim Separate Statement of Cash Flows for the 6 months ended June 30, 2014**

<i>In thousands of Polish Zloty</i>	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013*</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	1 214	(2 123)
Adjustments for:		
Interest and profit sharing, net	(476)	1 049
Unrealized foreign exchange differences	(254)	(1 112)
Change in receivables	2 667	(219)
Change in other current assets	(200)	(75)
Change in payables and other liabilities	(1 453)	802
Income taxes (paid)/returned	(830)	1 008
Interest paid	(8 077)	(659)
Interest received	8 357	4 123
<b>Net cash provided by operating activities</b>	<b>948</b>	<b>2 794</b>
<b>Cash flows from investing activities</b>		
Proceeds from repayment of loan and interest given	11 627	26 458
Expense on loans given	(1 698)	(101 627)
Proceeds from the settlements of acquisition of subsidiary	-	1 539
Acquisition of subsidiaries, net of cash acquired	(26 240)	(9 246)
Acquisition of intangible assets	(50)	(247)
<b>Net cash used in investing activities</b>	<b>(16 361)</b>	<b>(83 123)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance (employees options)	1 304	-
Expense on acquisition of own shares (employees option)	(1 206)	-
Proceeds from bonds issuance	-	139 174
Repayment of loans and borrowings	-	(3 913)
<b>Net cash provided by/(used in) financing activities</b>	<b>98</b>	<b>135 261</b>
<b>Net change in cash and cash equivalents</b>	<b>(15 315)</b>	<b>54 932</b>
<b>Balance sheet in cash and cash equivalents</b>	<b>(15 315)</b>	<b>54 932</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>36 704</b>	<b>12 433</b>
<b>Cash and cash equivalents, end of period</b>	<b>21 389</b>	<b>67 365</b>

*The Interim Separate Cash Flow has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.*

*\*There has been a change in presentation of dividends and interest, which were transferred to the operating activities, hence change in relation to published interim separate financial statements for the six months ended June 30, 2013 took place.*

**AmRest Holdings SE**  
**Interim Condensed Separate Financial Statements as at and for six months ended June 30, 2014**

**Interim Separate Statement of Changes in Equity for the 6 months ended June 30, 2014**

	Issued capital	Reserved capital	Retained Earnings	Total Equity
<b>As at January 1, 2013</b>	<b>714</b>	<b>783 790</b>	<b>66 944</b>	<b>851 448</b>
<b>Comprehensive Income</b>				
Profit/(loss) for the period	-	-	(1 509)	(1 509)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(1 509)</b>	<b>(1 509)</b>
<b>Transactions with shareholders</b>				
Employees share option scheme – value of employee services	-	4 359	-	4 359
Distribution of retained earnings	-	(1 940)	1 940	-
<b>Total of transactions with shareholders</b>	<b>-</b>	<b>2 419</b>	<b>1 940</b>	<b>4 359</b>
<b>As at June 30, 2013</b>	<b>714</b>	<b>786 209</b>	<b>67 375</b>	<b>854 298</b>
<b>As at January 1, 2014</b>	<b>714</b>	<b>791 414</b>	<b>71 464</b>	<b>863 592</b>
<b>Comprehensive Income</b>				
Profit/(loss) for the period	-	-	925	925
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>925</b>	<b>925</b>
<b>Transactions with shareholders</b>				
Employees share option scheme – value of employee services	-	3 085	-	3 085
Profit/(loss) on the own shares transaction	-	-	(447)	(447)
Issuance of shares	-	-	227	227
<b>Total of transactions with shareholders</b>	<b>-</b>	<b>3 085</b>	<b>(220)</b>	<b>2 865</b>
<b>As at June 30, 2014</b>	<b>714</b>	<b>794 499</b>	<b>72 169</b>	<b>867 382</b>

*The Interim Separate Statement of Changes in Equity has to be analyzed jointly with the notes which constitute an integral part of these Interim Condensed Separate Financial Statements.*

## **AmRest Holdings SE**

### **Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)**

#### **1 Company overview and significant accounting policies**

##### **(a) Background**

AmRest Holdings SE (“the Company”) 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 Wrocław-Fabryczna in Wrocław, 6th Business Department 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, Wrocław (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).

The Company’s core activity is direct management of the following entities (“the Group”):

- AmRest Sp. z o.o. (Poland), the entity being a parent in an international group comprising of entities located in Poland, as well as in Russia (OOO AmRest) and USA (AmRest, LLC),
- AmRest s.r.o. (The Czech Republic),
- AmRest EOOD (Bulgaria),
- AmRest Acquisition Subsidiary Inc (USA),
- AmRest HK Limited (China),
- Blue Horizon Hospitality Group PTE Ltd. (China), the entity being a parent in a group, comprising of entities located in China.

The principal activity of the subsidiaries is operating Kentucky Fried Chicken (“KFC”), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (further Czech), Hungary, Russia, Serbia, Croatia, Bulgaria and Spain, on the basis of franchises granted. In Spain, France, Germany, China and The United States the Group operates its own brands La Tagliatella, Trastevere and il Pastificio. 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. Additionally in China since December 21, 2012 the Group operates its own brands Blue Frog and KABB.

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 Wrocław the increase in the share capital of the Company by the amount of

## **AmRest Holdings SE**

### **Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)**

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.

As at June 30, 2014, WP Holdings VII B.V. was the largest shareholder of AmRest and held 31,71% of its shares and voting rights.

These Interim Condensed Separate Financial Statements were authorized by the Management Board on August 14, 2014.

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

These Interim Condensed Separate Financial Statements as at and for the six months ended 30 June 2014 have been prepared in accordance with the IAS 34 Interim Financial Reporting.

These Interim Condensed Separate 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 Separate Financial Statements as at 31 December 2013.

Accounting policies on which bases the Interim Condensed Separate Financial Statements prepared for the six months ended June 30, 2013 and Separate Financial Statements for the year ended December 31, 2012 are consistent, except standards, changes in standards and interpretations which are mandatory for reporting periods beginning after January 1, 2014.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2014:

- IFRS 11 "Joint Arrangements" Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.
- IFRS 12 "Disclosure of Interests in Other Entities" Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.
- Revised IAS 27 "Separate Financial Statements" Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.
- Revised IAS 28 "Investments in Associates and Joint Ventures" Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.
- Changes in the transitional provisions of IFRS 10, IFRS 11, IFRS 12, Entity has applied the change from 1 January 2014 amendment has no material impact on the interim separate financial statements.
- Investment Entities - amendments to IFRS 10, IFRS 12 and IAS 27 Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.
- Offsetting financial assets and financial liabilities - Amendments to IAS 32 Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.



## **AmRest Holdings SE**

### **Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)**

- Recoverable amount disclosure for non-financial assets - Amendments to IAS 36 Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.
- Novation of derivatives and continuation of hedge accounting - Amendments to IAS 39 Entity has applied the change from 1 January 2014, the amendment has no material impact on the interim separate financial statements.

Above mentioned amendments to standards and interpretations were approved for use by European Commission before issuance of these 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 these 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) Basis of preparation of financial statements**

Because of the fact that Company has moved its seat to Poland financial statements was prepared in polish zloty (PLN), after rounding to full thousands (TPLN). Polish zloty is functional currency of the AmRest Holdings SE since January 1, 2009.

The Company prepares consolidated financial statements of the Group for which it acts as a parent. The consolidated and separate financial statements have to be analysed jointly in order to vies a full picture of the Company's financial.

The interim separate condensed financial statements are prepared on the historical cost basis except of assets held for sale and assets stated in fair value through profit or loss, which are stated in fair values. Non-current assets held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

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 accounting policies have been applied consistently to all periods presented in these financial statements. In reporting period the Company did not make any changes to accounting policy.

#### **(d) Going concern assumption**

Information presented below should be read together with information provided in Note 12 and 16, describing accordingly: loan and bonds liabilities and commitments and contingencies, and significant post balance sheet events after June 30, 2014.

Interim Condensed Separate Financial Statements for the period of 6 months ended June 30, 2014 were prepared in accordance with going concern assumption by the Entity in foreseeable future, what assumes realization of assets and liabilities throughout the normal terms of business operations. Interim Condensed Separate Financial Statements does not account for adjustments, which would be essential in such events. As at the date of Interim Condensed Separate Financial Statements issuance in assessment made by Management Board Entity there are

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

no circumstances indicating threats for business going concern of the Entity and any related party in AmRest Group as well.

## 2 Investments in subsidiaries

The table below presents the number and value of the shares owned by the Company in its subsidiaries as at June 30, 2014 and as at December 31, 2013.

	June 30, 2014		December 31, 2013	
	Interest ownership	Value of Shares	Interest ownership	Value of Shares
AmRest Sp. z o.o. (Poland) <sup>(a)</sup>	100,00%	587 436	100,00%	584 351
AmRest s.r.o. (Czech Republik)	100,00%	33 573	100,00%	33 573
AmRest Acquisition Subsidiary (USA)	100,00%	146 954	100,00%	146 954
AmRest EOOD (Bulgaria) <sup>(b)</sup>	100,00%	14 388	100,00%	0
AmRest HK Limited (China)	82,00%	19 226	82,00%	19 238
Blue Horizon Hospitality Group PTE Ltd. (Chiny) <sup>(c)</sup>	60,18%	86 578	56,60%	74 714
<b>Total</b>	<b>-</b>	<b>888 155</b>	<b>-</b>	<b>858 830</b>

(a) The value of shares in AmRest Sp. z o.o. was increased by capitalized costs of the share option plan (share options granted to the employees of the subsidiaries). The costs capitalized in the value of investments in subsidiaries amounted to 3 086 thousand PLN as at June 30, 2014.

(b) On March 11, 2014 resolution on share capital increase in AmRest EOOD was passed. AmRest Holdings SE made capital contribution in amount of 5 900 thousand BGN.

On May 27, 2014 resolution on share capital increase in AmRest EOOD was passed. AmRest Holdings SE made capital contribution in amount of 812 thousand BGN.

(c) On June 13, 2014 resolution on share capital increase in Blue Horizon Hospitality Group PTE LTD was passed. AmRest Holdings SE made capital contribution in amount of 3 915 thousand USD. As a result, percentage engagement AmRest Holdings SE in share capital of Blue Horizon Hospitality Group PTE LTD increased from 56,6% to 60,18%.

## 3 Other financial assets

As at June 31, 2014 and December 31, 2013, the balances of other financial assets were as follows:

Other long-term financial assets	June 30, 2014	December 31, 2013
Loans given	232 500	242 500
<b>Total of other long-term financial assets</b>	<b>232 500</b>	<b>242 500</b>

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

<b>Other short-term financial assets</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Loans given	7 471	7 158
Trust fund	6 094	6 024
<b>Total of other short-term financial assets</b>	<b>13 566</b>	<b>13 182</b>

The Entity provided subsidiaries with the loans specified as below:

Borrower	- AmRest s.r.o.
Loan amount	- 25 431 thousands PLN
Interest rate	- WIBOR 3M + margin

The loan agreement was signed on April 28 and August 22, 2005. In accordance with the agreement the interest will be calculated on the monthly basis. According to the amendment dated December 10, 2012 the principal amount of the loan with all accrued interest will be repaid till December 31, 2013.

On December 30, 2013 Company obtained part of a principal amount of a loan that is PLN 35 thousand and interest in amount of CZK 20 918 thousand and PLN 5 810 thousand. Loan receivable of April 28 and August 22, 2005 and loan payable of December 16, 2013 were mutually settled.

On January 9, 2014 Company obtained remaining part of interest in amount of CZK 1 162 thousand and PLN 326 thousand.

Borrower	- AmRest s.r.o.
Loan amount	- 20 500 thousands PLN
Interest rate	- WIBOR 3M + margin

The loan agreement was signed on December 16, 2005. In accordance with the agreement the interest will be calculated and paid on the quarter basis. The change of the compound interest rate will be executed on the first day of each quarter. The principal amount of the loan will be repaid till December 16, 2018.

Borrower	- AmRest Sp. z o.o.
Loan amount	- 350 000 thousands PLN
Interest rate	- 3M WIBOR + margin

The loan agreement was signed on October 18, 2010. In accordance with the agreement the interest will be paid on the quarterly basis. The change of the compound interest rate will be executed on the first day of each quarter. The principal amount of the loan with all accrued interest will be repaid till September 30, 2013.

On September 16, 2013 it was sign appendix to the loan agreement, on base which parties agreed to postpone date of repayment principal amount of the loan with all accrued interests to September 30, 2016.

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Borrower	- AmRest HK Ltd.
Loan amount	- 1 000 thousands USD
Interest rate	- 3M LIBOR + margin

The loan agreement was signed on November 19, 2012. In accordance with the agreement the interest will be calculated on the quarterly basis. The change of the compound interest rate will be executed on the first day of each quarter. The principal amount of the loan with all accrued interest should have been repaid till November 19, 2013.

By June 30, 2014 the principal amount of the loan with all accrued interest was not repaid.

Borrower	- AmRest HK Ltd.
Loan amount	- 210 thousands USD
Interest rate	- 3M LIBOR + margin

The loan agreement was signed on September 5, 2013. The change of the compound interest rate will be executed every three months. The principal amount of the loan with all accrued interest will be repaid till September 30, 2014.

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 582 thousands USD
Interest rate	- fixed

The loan agreement was signed on December 5, 2013. In accordance with the agreement the interest will be calculated and paid on a quarterly basis til 25-th day of the last month of the quarter. The principal amount of the loan will be repaid till December 5, 2014.

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 556 thousands USD
Interest rate	- fixed

The loan agreement was signed on January 22, 2014. In accordance with the agreement the interest will be calculated and paid on a quarterly basis til 25-th day of the last month of the quarter. The principal amount of the loan will be repaid till January 22, 2015.

The Entity provided unrelated entity with the loan specified as below:

Borrower	- Gurman LLC
Loan amount	- 500 thousands USD
Interest rate	- fixed

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

The loan agreement was signed on May 24, 2013. The principal amount of the loan with all accrued interest will be repaid 6 months after receiving, that is till December 10, 2013. As at 10 December 2013 Company received interest accrued to this day. Repayment of the loan with interest took place as at 9 January 2014.

The table below presents the change of loan value during the six months period ended June 30, 2014:

<b>As at January 1, 2014</b>	<b>249 658</b>
Including:	
<b>Short – term loans</b>	<b>7 158</b>
<b>Long – term loans</b>	<b>242 500</b>
Change of loan value during the six months period ended June 30, 2014:	
Loans granted	1 698
Interest accrued	7 503
Loan and interest repayment	(19 498)
Exchange rate differences	610
<b>As at June 30, 2014</b>	<b>239 971</b>
Including:	
<b>Short – term loans</b>	<b>7 471</b>
<b>Long – term loans</b>	<b>232 500</b>

Loans are not secured. The fair value of the loans presented above does not differ significantly from its carrying value. The balances of loans are presented in Note 11.

## 4 Finance Liabilities

### *Borrowings from related parties*

Both at December 31, 2013 and June 30, 2014 Entity did not have borrowings from related parties.

### *Liabilities to third parties*

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, 2014 payable concerned bonds issued amounts to PLN 289 499 thousands.

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

As at June 30, 2014 Company has issued bonds specified as below:

Date of issue	- December 30, 2009
Number of bonds issued	- 11 000
Emission price of 1 bond	- 10 000 PLN
Total value of bonds issued:	- 110 000 000 PLN
Termination date	- December 30, 2014
Interest rate	- variable
Reference rate	- WIBOR 6M

Date of issue	- February 24, 2010
Number of bonds issued	- 4 000
Emission price of 1 bond	- 10 000 PLN
Total value of bonds issued:	- 40 000 000 PLN
Termination date	- December 30, 2014
Interest rate	- variable
Reference rate	- WIBOR 6M

Date of issue	- June 18, 2013
Number of bonds issued	- 14 000
Emission price of 1 bond	- 10 000 PLN
Total value of bonds issued:	- 140 000 000 PLN
Termination date	- June 30, 2018
Interest rate	- variable
Reference rate	- WIBOR 6M

Bonds were issued for the financing of Group investment activities.

The table below presents the change of bonds liabilities value during the six months period ended June 30, 2014:

<b>As at January 1, 2014</b>	<b>289 636</b>
Interest paid	(8 077)
Interest – discounted	7 940
<b>As at June 30, 2014</b>	<b>289 499</b>
Including:	
<b>Short – term</b>	<b>150 195</b>
<b>Long – term</b>	<b>139 304</b>

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

#### 5 Trade and other receivables

As at June 30, 2014 and December 31, 2013 Company has receivables of following characteristics:

Receivables descriptions	June 30, 2014	December 31, 2013
Receivables from related party – AmRest Sp. z o.o. cash pooling	5	63
Receivables from related party – AmRest Coffee Sp. z o.o.	9	-
Receivables from related party – AmRest HK Limited	41	-
Receivables from related party – AmRest s.r.o.	12	-
Receivables from related party – AmRest Sp. z o.o.	293	3 277
Receivables from related party – AmRest LLC	51	20
Receivables from related party – OOO AmRest	18	18
Receivables from related party – AmRest TAG	4	4
Receivables from related party – Restauravia Grupo Empresarial SL	281	-
Receivables from related party employees	167	711
Tax receivables	820	-
<b>Total of receivables as at given date</b>	<b>1 701</b>	<b>4 093</b>

#### 6 Trade and other payables

As at June 30, 2014 and December 31, 2013 Company has trade and other payables of following characteristics:

Payables descriptions	June 30, 2014	December 31, 2013
Liabilities to related party – AmRest Coffee Sp. z o.o.	1	-
Liabilities to related party – AmRest Sp. z o.o.	-	12
Liabilities to related party – AmRest LLC	79	5
Liabilities to related party – AmRest HK Ltd.	609	1 506
Liabilities to third parties	167	663
Tax liabilities	-	452
Other Liabilities	303	654
<b>Total of payables as at given date</b>	<b>1 159</b>	<b>3 292</b>

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

#### 7 Equity

##### *Share capital*

As described in Note 1a, on April 27, 2005, the shares of AmRest Holdings SE commenced trading on the Warsaw Stock Exchange ("WSE") in Warsaw, Poland.

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.

As at June 30, 2014, 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 (0.01 euro).

Pursuant to the information available to the Company, as at the date of release of these Interim Condensed Separate Financial Statements, that is August 14, 2014, 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:

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

\* PZU PTE S.A. manages assets which include the funds of OFE PZU "Złota Jesień" and DFE PZU

##### *Other supplementary capital*

Structure of other supplementary capital is as follows:

	June 30, 2014	December 31, 2013
Surplus over nominal value (share premium)	788 755	788 755
Employees share option scheme	30 629	27 543
Non-refundable capital deposit without additional share issue, made by shareholders of the Group before entry on GPW	6 191	6 191
Functional currency translation	(31 219)	(31 219)
Own shares recognition	144	144
<b>Total supplementary capital</b>	<b>794 500</b>	<b>791 414</b>

##### *Retained earnings*

Retained Earnings of a Entity according to 16th resolution of Annual Shareholders Meeting dated June 10, 2011 includes also reserve fund in value of PLN 50,000 thousands for purchase of treasury shares only for share option redemption to every existing and future employee and managerial motivational stock option plans, including Management Board members of Group entities. In 2014 year (as it was disclosed in statement of changes in equity) were realized transaction on treasury shares for existing stock option plans amounting PLN 447 thousand.



**AmRest Holdings SE**

**Notes to the Interim Condensed Separate Financial Statements**  
(in PLN thousands unless stated otherwise)

**8 Cash and cash equivalents**

Cash and cash equivalents as at June 30, 2014 and December 31, 2013 are presented in table below:

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Cash at bank	21 388	36 703
Cash in hand	1	1
	<b>21 389</b>	<b>36 704</b>

Reconciliation of working capital changes as at June 30, 2014 and June 30, 2013 is presented in the table below:

<b>Six months ended June 30, 2014</b>	<b>The balance sheet change</b>	<b>Exercise of options changes</b>	<b>Working capital change</b>
Trade and other receivables	3 212	(545)	2 667
Other current assets	(200)	-	(200)
Trade and other payables	(1 680)	227	(1 453)

<b>Six months ended June 30, 2013</b>	<b>The balance sheet change</b>	<b>Capital increase in subsidiary – liability</b>	<b>Working capital change</b>
Trade and other receivables	(291)	-	(291)
Other current assets	(75)	-	(75)
Trade and other payables	3 923	(3 121)	802

The other differences in working capital change (receivables and liabilities) result from corporate income tax only.

**9 Finance income and expenses**

	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
Interest income	8 376	4 953
Net exchange rate gains	134	1 154
<b>Finance income, total</b>	<b>8 510</b>	<b>6 107</b>
Interest expense	8 103	5 877
Other	291	110
<b>Finance expenses, total</b>	<b>8 394</b>	<b>5 987</b>

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

#### 10 Income Tax

	Six months ended June 30, 2014	Six months ended June 30, 2013
Corporate income tax - current period	(10)	-
Corporate income tax - prior period	(432)	(130)
Change in deferred tax assets/liabilities	731	(484)
<b>Income tax recognized in the income statement</b>	<b>289</b>	<b>(614)</b>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. After the offset, the following amounts are disclosed in the separate financial statements:

	June 30, 2014	December 31, 2013
Deferred tax asset to be recovered within 12 months	143	846
<b>Deferred tax asset:</b>	<b>143</b>	<b>846</b>

	June 30, 2014	December 31, 2013
Deferred tax liabilities to be used within 12 months	156	128
<b>Deferred tax liabilities:</b>	<b>156</b>	<b>128</b>

Temporary differences after the offset accounted for in the calculation of deferred tax relate to the following items:

	June 30, 2014	December 31, 2013
Other financial assets	27	85
Other financial liabilities	(95)	(69)
Trade and other payables	55	39
Tax loss carried forwards	-	663
<b>Deferred tax asset</b>	<b>-</b>	<b>718</b>
<b>Deferred tax liabilities</b>	<b>13</b>	<b>-</b>

#### 11 Related party transaction

As at June 30, 2014 the Group of which the Company is a parent consisted of the following subsidiaries (direct and indirect):

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Company name	Seat	Parent/non-controlling undertaking	Ownership interest and total vote	Date of effective control
Holding activity				
AmRest Acquisition Subsidiary Inc.	Wilmington, USA	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRestavia S.L.U.	Madrid, Spain	AmRest TAG S.L.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	AmRestavia S.L.U.	16.52%	April 2011
		AmRest TAG S.L.	83.48%	
AmRest Services Sp. z o.o. in liquidation*	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	April 2011
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	82.00%	September 2011
Blue Horizon Hospitality Group PTE Ltd	Singapore, China	Stubbs Asia Limited	18.00%	December 2012
		AmRest Holdings SE	60.18%	
		WT Equities	15.93%	
		BHHG	15.93%	
		MJJP	3.98%	
Bigsky Hospitality Group Ltd	Hong Kong, Chiny	Coralie Danks	3.98%	December 2012
		Blue Horizon Hospitality Group PTE Ltd	100.00%	
New Precision Ltd	Apia, Samoa	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants (BVI)	Road Town, Tortola, BVI	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
Restaurant activity				
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czech	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	82.00%	March 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Petersburg, Russia	AmRest Acquisition Subsidiary Inc.	0.88%	July 2007
		AmRest Sp. z o.o.	99.12%	
AmRest Coffee s.r.o.	Prague, Czech	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest Kávészó Kft	Budapest, Hungary	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest d.o.o.	Belgrad, Serbia	AmRest Sp. z o.o.	60.00%	October 2007
		ProFood Invest GmbH	40.00%	
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
Da Via, LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Crown Farm, LLC	Maryland, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Seneca Meadows, LLC	Maryland, USA	AmRestavia S.L.U.	100.00%	June 2013
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

<b>Company name</b>	<b>Seat</b>	<b>Parent/non-controlling undertaking</b>	<b>Owner-ship interest and total vote</b>	<b>Date of effective control</b>
Pastificio Service S.L.U.	Lleida, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Tagligat S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Pastificio S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
AmRest Restaurant Management Co. Ltd	Shanghai, China	AmRest HK Ltd	100.00%	November 2012
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
La Tagliatella LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o.	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Szanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Szanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Szanghai, China	Horizon Group Consultants (BVI) Shanghai Renzi Business Consultancy Co. Ltd	97.50% 2.50%	December 2012
La Tagliatella – The Promenade, LLC	Virginia, USA	AmRestavia S.L.U.	100.00%	October 2013
AmRest Skyline GMBH	Frankfurt, Germany	AmRestavia S.L.U.	100.00%	October 2013
Financial services for the Group				
AmRest Capital Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
La Tagliatella International Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Financing Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Asia Pacific Ltd	Hong Kong, China	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella SAS	Lyon, France	AmRestavia S.L.U.	100.00%	March 2014
Olbea s.r.o.	Prague, Czech	AmRest Cofee s.r.o.	100.00%	June 2013
Owner of the building ,where the office surface is placed				
Bécsi út.13. Kft**	Budapest, Hungary	AmRest Kft	100.00%	April 2007
Supply services for restaurants operated by the Group				
SCM Sp. z o.o.	Chotomow, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		Zbigniew Cylny	44.00%	
		Beata Szafarczyk-Cylny	5.00%	
Lack of business activity				
AmRest Ukraina t.o.w.	Kiev, Ukraine	AmRest Sp. z o.o.	100.00%	December 2005
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	100.00%	March 2012

\* On November 6, 2013 shareholders decided to liquidated this company.

\*\*As a consequence of sale transaction of building owned by Bécsi út.13. Kft, Group has started subsidiary liquidation process.

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

As at June 30, 2014, the Group possessed the following associated entities included in the financial statements under the equity method:

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

At June 30, 2014 the restaurants operated by the Group are located in Poland, Czech, Hungary, Russia, Bulgaria, Serbia, Croatia, the United States of America, Spain, Germany, France and China.

#### *Related party transaction*

<b>Loans granted to related entities</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
AmRest Sp. z o.o.	212 000	222 000
AmRest s.r.o.	20 500	20 591
AmRest HK Ltd.	3 916	3 795
Blue Horizon Hospitality Group PTE LTD	3 555	1 757
	<b>239 971</b>	<b>248 143</b>

<b>Trade and other receivables from related entities</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
AmRest TAG S.L.	4	4
AmRest LLC	51	20
OOO AmRest	18	18
AmRest s.r.o.	12	-
AmRest Sp. z o.o.	298	3 340
AmRest Coffee Sp. z o.o.	9	-
AmRest HK Limited	41	-
Restauravia Grupo Empresarial SL	281	-
Related parties employees	167	711
	<b>881</b>	<b>4 093</b>

<b>Trade and other payables to related entities</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
AmRest Coffee Sp. z o.o.	1	-
AmRest Sp. z o.o.	-	12
AmRest LLC	79	5
AmRest HK Limited	609	1 506
	<b>689</b>	<b>1 523</b>

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

<b>Other operating income - Expenses charged to related entities</b>	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
AmRest TAG S.L.	-	55
AmRest Sp. z o.o.	1 601	51
OOO AmRest	-	18
AmRest Coffee Sp. z o.o.	68	17
AmRest s.r.o.	64	13
AmRest LLC	31	11
AmRest Services Sp. z o.o. SKA	-	6
AmRest EOOD	-	2
AmRest Capital Zrt.	-	2
AmRest HK Limited	41	-
Restauravia Grupo Empresarial SL	286	-
	<b>2 091</b>	<b>175</b>

<b>General and administrative expenses – related entities</b>	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
AmRest Sp. z o.o.	21	2
AmRest s.r.o.	1	-
AmRest KFT	7	-
AmRest LLC	73	-
AmRest Coffee Sp. z o.o.	1	-
	<b>103</b>	<b>2</b>

<b>Financial income form related entities</b>	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
AmRest Sp. z o.o. – interest	6 760	3 675
AmRest s.r.o. – interest	580	740
AmRest HK Limited - interest	77	68
Blue Horizon Hospitality Group PTE LTD - interest	82	-
	<b>7 499</b>	<b>4 483</b>

<b>Financial cost – related entities</b>	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
AmRest Sp. z o.o. – interest	-	9
AmRest Capital ZRT – interest	-	7
	<b>-</b>	<b>16</b>

#### *Transactions with the management/ Management Board, Supervisory Board*

	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
Remuneration of the Management and Supervisory Boards paid by the Company's subsidiaries	2 476	2 445
<b>Total remuneration of the Management Board and Supervisory Board</b>	<b>2 476</b>	<b>2 445</b>

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

On February 18, 2011 Wojciech Mroczyński 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 Mroczyński 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 prorated based on the amortization period mentioned above, referred to as net sabbatical remuneration. Wojciech Mroczyński was re-appointed as a Management Board Member of the Company on March 31, 2012. As at June 30, 2014 the balance of net sabbatical remuneration is PLN 123 thousand decreased about PLN 287 thousand from base level PLN 410 thousand.

The Group's key employees also participate in an employee share option plan. The costs relating to the employee option plan in respect of management amounted to PLN 2 036 thousand and PLN 1 158 thousand respectively in the 6 month period ended June 30, 2014 and June 30, 2013.

		<b>June 30, 2014</b>	<b>June 30, 2013</b>
Number of options awarded		680 750	650 750
Number of available options		138 650	126 417
Fair value of options as at the moment of awarding	PLN	17 147 090	15 887 751

As at June 30, 2014 and as at June 30, 2013 there were no liabilities to former employees.

## 12 Loans and bonds liabilities and commitments and contingencies

On September 10<sup>th</sup>, 2013 a Credit Agreement („the Agreement”) between AmRest, AmRest Sp. z o.o and AmRest s.r.o. – jointly „the Borrowers” and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. and ING Bank Śląski Polska S.A. – jointly „the Lenders” was signed. AmRest Poland and AmRest Czech are 100% subsidiaries of AmRest.

Based on the Agreement the Lenders granted to the Borrowers a credit facility in the approximated amount of EUR 250 million. The facility shall be fully repaid by September 10<sup>th</sup>, 2018 and is dedicated for repayment of the obligations under the credit agreement signed October 11<sup>th</sup>, 2010 along with further annexes, financing development activities of AmRest and working capital management. The facility consists of four tranches: Tranche A, EUR 150 million, Tranche B, PLN 140 million, Tranche C, CZK 400 million and Tranche D granted as a revolving credit facility, PLN 200 million. All Borrowers bear joint liability for any obligations resulting from the Agreement. Additionally, the following members of the group are guarantors of the facility: OOO AmRest, AmRest TAG S.L., AmRestavia S.L., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U, AmRest Finance Zrt and AmRest Capital Zrt.

The loan is provided at a variable interest rate. AmRest is required to maintain liquidity ratios (net debt/EBITDA, equity/total assets, EBITDA/interest) at agreed levels. In particular net debt/EBITDA ratio is to be held at below 3.5 level and AmRest is required not to distribute dividend payments if the mentioned ratio exceeds 3.0.

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.

On December 7<sup>th</sup>, 2009 AmRest Holdings SE signed an agreement with RBS Bank (Polska) S.A. and Bank Pekao S.A. for bonds issuance (“5years bonds”), based on which, program for AmRest corporate bonds was released, allowing to issue bonds in total maximum value of PLN 300 million, where bonds in the value of PLN

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

150 million were issued already. The agreement was signed for a defined period till July 9<sup>th</sup>, 2015 with extension possible until repayment of all bonds issued.

On August 22<sup>nd</sup>, 2012 the above mentioned agreement was replaced with the new one signed between AmRest Holding SE, AmRest Sp. z o.o. and Bank PEKAO S.A. for a defined period until December 31<sup>st</sup>, 2019. Program extension is possible until redemption of all bonds issued. The total maximum value of the program remained the same and is equal to PLN 300 million.

On June 18<sup>th</sup>, 2013 bonds in the amount of PLN 140 million were issued under the new agreement. The issue is part of a plan to diversify financing sources of AmRest. Bonds are issued with variable interest rate 6M WIBOR increased by a margin and are due on June 30<sup>th</sup>, 2018. Interest is paid on semi-annual basis (June 30<sup>th</sup> and December 30<sup>th</sup>), beginning December 30<sup>th</sup> 2013. Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated June 18, 2013. There are no additional securities on the bond issue.

The status of the guarantees offered by the Entity as at June 30, 2014 are as follows:

	<b>Guarantee site</b>	<b>Guarantee mechanism</b>	<b>Maximum amount</b>
Warranty of the lease restaurant in USA	AmRest Holdings SE warrants AmRest LLC to MV Epicentre II LLC	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	Up to USD 615 thousand (PLN 1.874 thousand)
Warranty of the lease restaurant in USA	AmRest Holdings SE warrants AmRest LLC to GLL Perimeter Place, L.P.	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism
Warranty of the lease restaurant in USA	AmRest Holdings SE warrants AmRest LLC to Towson Circle Holdings, LLC	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism
Warranty of the lease restaurant in Germany	AmRest Holdings SE warrants AmRest GmbH to Berliner Immobilien Gesellschaft GbR	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism

### 13 Financial instruments

The Company is exposed to a variety of financial risks: market risk (including currency and interest rate risk) and - to a limited extent - credit risk. The risk management program implemented by the Company is based on the assumption of the unpredictability of the financial markets and is used to maximally limit the impact of negative factors on the Company's financial results.

Risk management is carried out based on procedures approved by the Management Board.

#### *Credit risk*

Financial instruments that are exposed to the credit risk include cash and cash equivalents, receivables and loans. The Company invests cash and cash equivalents in highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to their level as at balance sheet date. As at June 30, 2014 maximum amount exposed to credit risk was PLN 269 156 thousand and consist of the intercompany receivables from loan granted to related party (Note 3). The Company did not recognize impairment of assets listed above as well as not did create any write-offs.

#### *Interest rate risk*

The loan granted to the subsidiary (Note 3) was based on a floating interest rate. As at June 31, 2014, the Company did not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The fair value of that instruments, does not differ significantly from its carrying value.



## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

#### *Foreign currency risk*

The Company is exposed to the foreign currency risk mainly due to the receivables and payables valuation denominated in currencies other than functional currency of the Company. The exposure to foreign currency cash flow risk is not hedged as there is no impact on cash flows.

#### *Liquidity risk*

The Company does not provide any operating activities except of holding activity, which results in no need of constant access to the financing and control over timely liability payments. For the purpose of financing of investment activities of the Group, the Company issued bonds (Note 4) for the amount of PLN 290 million (nominal value). Details of this bonds is presented in Note 4.

#### *Capital risk*

The Entity manages capital risk to protect its ability to continue in operation, so as to enable it to realize returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost.

The Entity monitors capital using the gearing ratio. The ratio is calculated as net debt to the value of capital involved. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents.

The gearing ratios at June 30, 2014 and December 31, 2013 were as follows:

	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Bonds obligations and other liabilities	290 671	292 927
Less: cash and cash equivalent	21 389	36 704
Net debt	269 282	256 223
Total equity	867 383	863 593
Capital involved	1 136 665	1 119 816
	<b>24%</b>	<b>23%</b>

#### *Recent volatility in global and country financial markets*

Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

## 14 Earnings per share

The basic and diluted earnings per ordinary share for the six months period of 2014 and 2013 was calculated as follows:

	<b>Six months ended June 30, 2014</b>	<b>Six months ended June 30, 2013</b>
Profit/(loss) for the period	925	(1 509)
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Impact of share options awarded in 2005	11 122	20 498
Impact of share options awarded in 2006	8 894	15 323
Impact of share options awarded in 2007	-	-
Impact of share options awarded in 2008	3 028	2 634

## AmRest Holdings SE

### Notes to the Interim Condensed Separate Financial Statements (in PLN thousands unless stated otherwise)

Impact of share options awarded in 2009	28 593	27 859
Impact of share options awarded in 2010	16 786	12 817
Impact of share options awarded in 2011	117 864	182 363
Impact of share options awarded in 2012	9 000	76 979
Impact of share options awarded in 2013	-	-
Impact of share options awarded in 2014	-	-
Weighted average number of ordinary shares in issue	<u>21 409 180</u>	<u>21 552 365</u>
Profit/(loss) per ordinary share		
Basic earnings per ordinary share	0,04	(0,07)
Diluted earnings per ordinary share	0,04	(0,07)

#### 15 Collateral on borrowings

The loans incurred by the Company do not account for collateral set up on fixed assets and other assets owned by the Company. The Borrowers (AmRest Holding SE, AmRest Sp. z o.o. and AmRest s.r.o.) are jointly and severally responsible for paying the liabilities resulting from credit agreements. Additionally, Group companies – OOO AmRest, AmRest TAG S.L.U., AmRestavia S.L.U., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., AmRest Finance Zrt and AmRest Capital Zrt – 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, i.e. September 10<sup>th</sup>, 2018.

#### 16 Events after the balance sheet date

On July 3, 2014 the loan of USD 1 085 thousand to Blue Horizon Hospitality Group PTE LTD was given. In accordance with the agreement the interest will be calculated and paid on a quarterly basis til 25-th day of the last month of the quarter. The principal amount of the loan will be repaid till June 24, 2015.

On July 8, 2014 Supervisory Board has appointed Henry McGovern as Chariman.

On July 8, 2014 Supervisory Board has according to the Rules of Management incentive Plan dated Decemebr 13, 2011 granted 50.000 options to Henry McGovern and 110.000 options to Maria Elena Pato-Castel Tadeo.