AmRest Holdings SE

Interim Condensed Separate Financial Statements

as at and for the six months ended 30 June 2009

Contents

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Board Member

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Wroclaw, 31 August 2009

Interim Separate Income Statement

for the six months ended 30 June 2009 and 30 June 2008

In thousands of Polish Zloty	**Six months ended 30 June 2009**	**Six months ended 30 June 2008**
General and administrative expenses (G&A)	(600)	(591)
Finance income	2 930	662
Finance costs	(2 707)	(643)
Profit before tax	(377)	(572)
Income tax expense	-	-
Loss for the period	(377)	(572)
Basic earnings (loss) per share in Polish zloty	(0,03)	(0,03)
Diluted earnings (loss) per share in Polish zloty	(0,03)	(0,04)

Interim Separate Statement of Comprehensive Income
for the six months ended 30 June 2009 and 30 June 2008

In thousands of Polish Zloty	**Six months ended 30 June 2009**	**Six months ended 30 June 2008**
Loss for the period	(377)	(572)
Other comprehensive income:		
Actuarial gains – plans of determined benefits	1 158	742
Currency translation differences (from USD into PLN)	-	91 240
Income tax concerning other comprehensive income	(220)	-
Other comprehensive income for the period, net of tax	938	91 982
Total comprehensive income for the period	561	91 410

Interim Separate Statement of Financial Position
as at 30 June 2009 and 31 December 2008

In thousands of Polish Zloty	**30 June 2009**	**31 December 2008**
Assets		
Investments in associates	369 709	368 551
Other non–current assets	32 531	29 559
Total non-current assets	402 240	398 110
Trade and other receivables	21 665	21 597
Other current assets	2 079	912
Cash and cash equivalents	80	-
Total current assets	23 824	22 509
Total assets	426 064	420 619
Equity		
Share capital	427	545
Capital from issuance of shares above the nominal value	293 427	323 488
Retained earnings	54 802	52 974
Net profit	(377)	8 178
Translation reserve	-	(37 687)
Minority interest		
Total equity	348 279	347 498
Liabilities		
Other non-current liabilities	71 699	69 916
Total non-current liabilities	71 699	69 916
Loans and borrowings	20	-
Trade and other payable	5 606	2 811
Deferred tax liabilities	460	394
Total current liabilities	6 086	3 205
Total liabilities	77 785	73 121
Total equity and liabilities	426 064	420 619

Interim Separate Statement of Cash Flows
for the six months ended 30 June 2009 and 30 June 2008

In thousands of Polish Zloty	Six months ended 30 June 2009	Six months ended 30 June 2008
Cash flows from operating activities		
Profit before tax	(377)	(572)
Adjustments for:		
Interest expense, net	2 430	1 054
Unrealized exchange rate differences from financing activities	(2 653)	(1 073)
Change in payables and other liabilities	(296)	(63)
Income tax (paid)/received	61	(160)
Other	(174)	-
Net cash provided by operating activities	(1 009)	(814)
Cash flows from investing activities	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Proceeds from cash-pooling	2 982	807
Repayments of loans and borrowings	(1 893)	-
Finance lease liabilities		
Net cash flows from financing activities	1 089	807
Net change in cash and cash equivalents	80	(7)
Cash and cash equivalents, beginning of the period	-	7
Effect of foreign exchange rate fluctuations		
Cash and cash equivalents, end of the period	80	-

Interim Separate Statement of Changes in Shareholders' Equity

for the six months ended 30 June 2009 and 30 June 2008

	Attributable to owners of the Company								
In thousands of Polish Zloty	**Share capital**	Share premium	Other reserves	**Total reserves**	**Retained earnings**	Current year result	Total	**Currency translation**	Total
As at 1 January 2008 (IFRS)	544	320 532	-	320 532	60 761	(7 787)	52 974	(98 341)	275 709
Employee share option scheme – value of employee services	-	742	-	742	-	-	-	-	742
Employee share option scheme – value of realised options	-	(859)	-	(859)	-	-	-	-	(859)
Currency translation differences	-	-	-	-	-	-	-	91 240	91 240
Reclassification	-	-	-	-	-	-	-	-	-
Issue of shares	1	1 409	-	1 409	-	-	-	-	1 410
Loss for the period	-	-	-	-	-	(572)	(572)	-	(572)
As at 30 June 2008 (IFRS)	545	321 824	-	321 824	60 761	(8 359)	52 402	(7 101)	367 670
As at 1 January 2009 (IFRS)	427	292 269	-	292 269	54 802	-	54 802	-	347 498
Employee share option scheme – value of employee services	-	1 158	-	1 158	-	-	-	-	1 158
Employee share option scheme – value of realised options	-	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(377)	(377)	-	(377)
As at 30 June 2009 (IFRS)	427	293 427	-	293 427	54 802	(377)	54 425	-	348 279

Selected explanatory notes to the financial statements

Information on the activities of the Group

AmRest Holdings SE ('the Company') was established in the Netherlands in October 2000 as a joint-stock company. On 19 September 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 22 December 2008, the District Court for Wroclaw-Fabryczna in Wroclaw, 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, Wroclaw (50-365), Poland.

The Company's core activity is 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),
- American Restaurants s.r.o. with its registered office in the Czech Republic,
- AmRest Acquisition Subsidiary Inc with its registered office in USA.

The principal activity of the entities within the Group is operating restaurants located in Poland, the Czech Republic, USA, Bulgaria, Russia, Serbia and Hungary,.:
- based on the franchise contracts - restaurants 'KFC', 'Pizza Hut', 'Burger King', 'Applebee's' and 'Starbucks',
- as the owner of trademarks - restaurants 'Rodeo Drive' and 'freshpoint'.

On 27 April 2005, the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ('GPW').
As at 30 June 2008 the Company's largest shareholders were: BZ WBK AIB AM (20,24% of shares), ING OFE (17,49 %), Henry McGovern (9,50 %), Commercial Union OFE (7,05 %), Otwarty Fundusz Emerytalny PZU „Złota Jesień (5,25 %).

AmRest is the first public company in Poland operating in a form of a European Company. The purpose of transforming AmRest into the European Company was to increase its operating effectiveness and reduce operating and administrative expenses.

Form of presentation

As a result of moving the Company's headquarter to Poland the functional currency has changed to from the beginning of the financial year 2009, namely 1 January 2009, thus these Interim Condensed Separate Financial Statements have been prepared in Polish zloty.

Basis of preparation and accounting policies

These Interim Condensed Separate Financial Statements as at and for the six months ended 30 June 2009 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 Consolidated Financial Statements of the Group as at 31 December 2008.

These Interim Condensed Separate Financial Statements were approved by the Company's Management Board on 31 August 2009.

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

The accounting policies have been applied consistently in all the financial years covered by the consolidated financial statements.

The accounting policies which apply to the Interim Condensed Separate Financial Statements are consistent with those that applied to the annual Financial Statements of the Company for the year ended 31 December 2008.

The following new standards and interpretations came into force on 1 January 2009:

- IFRS 8 „Operational Segments

IFRS 8 was published by the International Accounting Standards Board on 30 November 2006 and is binding for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14, Segment Reporting. The Standard defines new disclosure requirements relating to business segments and information on goods and services, geographical segments of business and key customers. IFRS 8 requires a management approach to reporting the results of business segments.

- The revised IAS 23 „Borrowing Costs'

The revised IAS 23: Borrowing costs was published by the International Accounting Standards Board on 29 March 2007 and is binding for annual periods beginning on or after 1 January 2009. The change relates to the accounting treatment of borrowing costs which may be directly attributed to the acquisition, construction or manufacture of assets which require significant time to be prepared for intended use or sale. According to the revised regulations, the possibility of immediate recognition of these costs in the income statement for the period in which they were incurred was removed. In accordance with the new requirement of the Standard, the costs have to be capitalized.
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- IAS 1 (Z) „Presentation of Financial Statements'

The revised IAS 1 was published by the International Accounting Standards Board on 6 September 2007 and is binding for annual periods which begin on or after 1 January 2009.

The revision relates mainly to presentation issues in respect of equity with the aim of improving the ability of the financial statement users to analyze and compare information included therein.

- The revised IFRS 2 „Share-based Payments'

The revised IFRS 2 was published by the International Accounting Standards Board on 17 January 2008 and is binding for annual periods beginning on or after 1 January 2009. The revised Standard relates to two issues: it explains that the terms and conditions for acquiring entitlements are not only the condition of providing services and the condition related to the entity's operating results. The other features of the share-based payment plans are not considered as the terms and conditions for acquiring entitlement. The standard explains that accounting treatment of discontinuing a plan by an entity or any other party to the transaction should be identical.

- The revised IAS 32 „Financial Instruments: Presentation' and revised IAS 1 „Presentation of financial statements'

The revised IAS 32 and IAS 1 were published by the International Accounting Standards Board on 14 February 2008 and are binding for annual periods beginning on or after 1 January 2009. The amendments relate to the accounting treatment of some financial instruments which are characterized by similarity to equity instruments but are classified as financial liabilities. In accordance with the new requirement of the Standard, financial instruments such as puttable financial instruments or obligations to pay out shares in net assets only on liquidation are, after meeting specific terms, presented in equity.

- IFRS Improvements 2008

The International Accounting Standards Board has issued 'IFRS improvements', which amend 20 standards. The amendments include changes in presentation, recognition and valuation and include terminology and editorial changes. The majority of amendments is effective from annual periods starting 1 January 2009.

- The revised IFRS 1 and IAS 27

The revised IFRS 1 and IAS 27 were published by the International Accounting Standards Board on 22 May 2008 and are binding for annual periods beginning on or after 1 January 2009.

The revisions allow applying 'deemed cost' or fair value or carrying amount determined according to the accounting principles binding for subsidiaries, associates or co-subsidiaries in the separate financial statements. Moreover, the cost method was eliminated and replaced with the method for recognizing revenue in connection with the dividends received in the separate financial statements.

- IFRIC 12 'Service Concession Arrangements'

IFRIC 12, Service Concession Arrangements, was issued by the International Financial Reporting Interpretations Committee on 30 November 2006 and is binding for annual periods beginning on or after 29 March 2009. The interpretation provides guidance on the application of existing standards by entities involved in concession arrangements for services between the public and private sectors. IFRIC 12 pertains to those arrangements in which the engager controls what services will be provided by the operator using the infrastructure, to whom these services will be provided and for what consideration.

- IFRIC 13 „Customer Loyalty Programmes'

IFRIC 13 was issued by the International Financial Reporting Interpretations Committee on 28 June 2007 and is binding for periods beginning on or after 1 July 2008. The interpretation provides guidance on the accounting treatment of transactions resulting from customer loyalty programmes implemented by the entity such as loyalty cards or award credits. IFRIC 13 specifically indicates the correct manner of recognizing liabilities resulting from the necessity of delivering free of charge or reduced price goods or services to customers who realize their credits.

- IFRIC 14 „ The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'

IFRIC 14 was issued by the International Financial Reporting Interpretations Committee on 9 July 2007 and is binding for annual periods beginning on or after 1 January 2009. The Interpretation includes general guidelines on how to assess the ceiling value of the fair value of plan assets over the current value of the respective defined benefit plan commitments which may be recognized as an asset in accordance with IAS 19 Employee benefits. Moreover, IFRIC 14 explains how statutory or contractual requirements in respect of minimum finance may impact the amount of assets or liabilities of the respective defined benefit plan.

Standards and interpretations that entered into force on 1 January 2009 did not influence the accounting principles used by the Company. Therefore accounting policies applied in preparing these Interim Condensed Consolidated Financial Statements are consistent with the accounting principles applied in preparing the financial statements for the year ended 31 December 2008, and described therein.

Seasonal fluctuations

The activities of the Company are not characterized by seasonal fluctuations.

Change in functional currency effective from 1 January 2009

All balance sheet items as at 1 January 2009 presented in thousands of USD have been converted into the Polish currency at the average rate of the National Bank of Poland of 31 December 2008, which amounted to 2.9618.

The following table shows in detail the impact of the conversion of balances into the Polish currency on 1 January 2009:

In thousands of Polish Zloty	**31 December 2008 USD (functional currency)**	**31 December 2008 PLN (presentation currency)**	**01January 2009 PLN (functional currency)**	**Differences in PLN**
Assets				
Investments In associates	124 435	368 551	368 551	-
Other non–current assets	9 980	29 559	29 559	-
Total non-current assets	134 415	398 110	398 110	-
Trade and other receivables	7 292	21 597	21 597	-
Other current assets	308	912	912	-
Cash and cash equivalents	7 600	22 509	22 509	-
Total current assets	**142 015**	**420 619**	**420 619**	**-**
Equity				
Share capital	144	545	427	(118)
Capital from issuance of shares above the nominal value	98 680	323 488	292 269	(31 219)
Retained earnings	16 081	52 974	54 802	1 828
Net profit	2 422	8 178	-	(8 178)
Translation reserve	-	- 37 687	-	37 687
Minority interest	-	-	-	-
Total equity	117 327	347 498	347 498	-
Liabilities				
Other non-current liabilities	23 606	69 916	69 916	-
Total non-current liabilities	23 606	69 916	69 916	-
Loans and borrowings				
Finance lease liabilities				
Trade and other payable	949	2 811	2 811	-
Deferred tax liabilities	133	394	394	-
Total current liabilities	1 082	3 205	3 205	-
Total liabilities	24 688	73 121	73 121	-
Total equity and liabilities	**142 015**	**420 619**	**420 619**	**-**

Earnings per share

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

	Six months ended 30 June 2009	Six months ended 30 June 2008
Net loss attributable to equity holders of the parent company in PLN thousand	(377)	(572)
Weighted average number of ordinary shares in issue	14 186 356	14 172 269
Impact of share options awarded in 2005	24 282	59 000
Impact of share options awarded in 2006	-	35 344
Impact of share options awarded in 2007	-	-
Impact of share options awarded in 2008	-	-
Impact of share options awarded in 2009	-	-
Weighted average number of ordinary shares for diluted earnings per share	14 210 638	14 266 613
Basic earnings (loss) per ordinary share in PLN	(0,03)	(0,03)
Diluted earnings (loss) per ordinary share in PLN	(0,03)	(0,04)

Shares in subsidiaries

The table below presents the number and value of the shares owned by the Company in its subsidiaries as at 30 June 2009 and 31 December 2008.

In thousands of Polish Zloty	30 June 2009		31 December 2008	
	Interest ownership	Value of shares		Interest ownership
AmRest Sp. z o.o. (Poland)	100 %	207 635	100 %	206 477
AmRest s.r.o. (The Czech Republic)	100 %	9 149	100 %	9 149
AmRest Acquisition Subsidiary (USA)	100 %	152 925	100 %	152 925
Total		369 709		368 551

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 PLN 6 483 thousand as at 31 December 2008 and PLN 7 641 thousand as at 30 June 2009.

Loans granted to subsidiaries

Borrower – American Restaurants s.r.o.

Loan amount – CZK 167 306 thousand

Interest rate – PRIBOR +1,8%

Effective interest rate – 5,9%

The loan is not secured.

The table below presents the change of loan value during the six months period ended 30 June 2009:

	As at 30 June 2009	As at 31 December 2008
Value in CZK thousand	167 306	167 306
Value in PLN thousand	28 895	26 200
Interests in PLN thousand	3 636	3 359
Total	**32 531**	**29 559**

Liabilities to subsidiaries

As at 30 June 2009 the Company presented financial liability to its subsidiary (AmRest Sp. z o.o.) related to zero coupon bonds specified as below:

Date of issue – 3 June 2007
Number of bonds issued - 100
Emission price of 1 bond – 839 107 PLN
Total value of bonds issued – 83 910 7 00 PLN
Nominal value of 1 bond – 650 000 PLN
Total nominal value of bonds issued – 65 000 000 PLN
Termination date – 5 years after issue
Effective interest rate – 5%

The table below presents the change of value of financial liability relating to bonds issued during the six months period ended 30 June 2009:

As at 1 January 2009 in PLN thousand	69 916
Interest in 2009 in PLN thousand	1 783
As at 30 June 2009 in PLN thousand	71 699

The bonds were issued for the purpose of financing the purchase of 100% shares in US Strategies, Inc. The purchase was finalised on 2 July 2007.

Receivable from Michael Tseytin (shareholder) resulted from US Strategies, Inc. share purchase

In thousands of Polish Zloty	30 June 2009	31 December 2008
M. Tseytin receivable	21 597	21 597

Trade and other accounts payable

In thousands of Polish Zloty	30 June 2009	31 December 2008
AmRest Sp. z o.o. – cash pool receivable	5 569	2 470
Payables to non-related parties	37	341

Commitments and contingencies

In accordance with the loan contract signed on 15 December 2008 the Company is the guarantor of loans taken by its subsidiaries: AmRest Sp. z o.o. and American Restaurants s.r.o. Total limit of loans for all three entities was awarded at the level of PLN 440 million.

The risks connected with credit crunch

The ongoing global liquidity crisis which commenced in the middle of 2007 has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, higher interbank lending rates and very high volatility in stock markets. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere. Indeed the full extent of the impact of the ongoing crisis is proving to be impossible to anticipate or completely guard against.

The 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'

Debtors of the Company may be affected by the lower liquidity situation which could in turn impact their ability to repay the amounts owed. Deteriorating operating conditions for customers may also have an impact on management's cash flow forecasts and our assessment of the impairment of non-financial assets. To the extent that information is available management have properly reflected revised estimates of expected future cash flows in their impairment assessments.

Subsequent events

On 31 August 2009 AmRest Holdings SE signed an agreement with Michael Tseytin connected with the due payment resulting from the settlement of the purchase price of shares in OOO Pizza Nord (currently OOO AmRest). Under this agreement AmRest grants a loan amounting to US $ 9 million, the maturity date is 30 August 2010.The security on the loan is a lien on all the shares, which were a form of payment for the shares of OOO Pizza Nord (currently OOO AmRest). In addition, the purchase option of one of the key locations RostiksKFC in St. Petersburg was cancelled as part of the settlement.