AmRest Holdings SE
Consolidated condensed interim financial statements
as at and for the six months ended
June 30, 2015

Contents

Interim consolidated income statement

for the period ended June 30, 2015

In thousands of Polish Zloty	Notes	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
Continuing operations			
Restaurant sales		1 462 322	1 300 372
Franchise and other sales		97 353	87 392
Total sales	2	1 559 675	1 387 764
Company operated restaurant expenses:			
Food and material		(457 087)	(419 731)
Payroll and employee benefits		(326 361)	(291 688)
Royalties		(71 652)	(64 383)
Occupancy and other operating expenses		(440 343)	(411 495)
Franchise and other expenses		(64 230)	(59 542)
General and administrative (G&A) expenses		(115 249)	(93 909)
Impairment losses	2,6,8	(4 040)	(6 432)
Other operating income		8 213	10 044
Total operating costs and losses		(1 470 749)	(1 337 136)
Profit from operations		**88 926**	**50 628**
Finance costs	2,4	(21 638)	(26 901)
Finance income	2,3	3 193	2 214
Income from associates	2,23	95	67
Profit before tax		**70 576**	**26 008**
Income tax expense	2,5	(17 522)	(14 110)
Profit for the period		**53 054**	**11 898**
Profit/(loss) attributable to:			
Non-controlling interests		77	(1 054)
Equity holders of the parent		52 977	12 952
Profit for the period		**53 054**	**11 898**
Basic earnings per share in Polish zloty	1j)	2.50	0.61
Diluted earnings per share in Polish zloty	1j)	2.50	0.60

The interim consolidated income statement has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

Interim consolidated comprehensive income statement

for the period ended June 30, 2015

In thousands of Polish Zloty	Notes	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
Profit for the period		53 054	11 898
Other comprehensive income/(loss):			
Currency translation differences from conversion of foreign Entities	14	21 546	(4 800)
Net investment hedges	14	9 589	(1 951)
Income tax concerning net investment hedges	5,14	(1 822)	371
Total items that may be reclassified subsequently to profit or loss		29 313	(6 380)
Total items that will not be reclassified to income statement		-	-
Other comprehensive income/(loss) for the period, net of tax		**29 313**	**(6 380)**
Total comprehensive income for the period		**82 367**	**5 518**
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		77 827	6 751
Non-controlling interests		4 540	(1 233)

The interim consolidated comprehensive income statement has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of financial position
as at June 30, 2015

In thousands of Polish Zloty	Notes	30.06.2015	31.12.2014
Assets			
Property, plant and equipment	6	1 031 392	1 016 329
Goodwill	7	655 428	578 322
Other intangible assets	8	523 285	528 070
Investment properties		22 152	22 152
Investments in associates	23	334	403
Other non-current assets	9	51 823	47 060
Deferred tax assets	5	32 266	28 434
Total non-current assets		2 316 683	2 220 770
Inventories	10	56 456	51 638
Trade and other receivables	11	58 971	66 345
Corporate income tax receivables		3 703	6 735
Other current assets	12	23 727	19 184
Cash and cash equivalents	13	246 691	257 171
Total current assets		389 548	401 073
Total assets	2	**2 706 231**	**2 621 843**
Equity			
Share capital		714	714
Reserves	14	680 472	692 624
Retained earnings		357 397	304 420
Translation reserve	14	(69 133)	(86 216)
Equity attributable to shareholders of the parent		969 450	911 542
Non-controlling interests		68 640	64 100
Total equity		1 038 090	975 642
Liabilities			
Interest-bearing loans and borrowings	0	1 107 276	1 116 047
Finance lease liabilities	19	7 566	7 312
Employee benefit liability		47 375	39 606
Provisions		9 218	9 305
Deferred tax liability	5	108 616	103 591
Other non-current liabilities	16	16 425	17 145
Total non-current liabilities		1 296 476	1 293 006
Interest-bearing loans and borrowings	0	5 392	337
Finance lease liabilities	19	1 070	767
Trade and other accounts payable	18	346 112	344 873
Corporate income tax liabilities		19 091	7 218
Total current liabilities		371 665	353 195
Total liabilities	2	1 668 141	1 646 201
Total equity and liabilities		**2 706 231**	**2 621 843**

The interim consolidated statement of financial position has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

Interim consolidated cash flow statement
for the period ended June 30, 2015

In thousands of Polish Zloty	Notes	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
Cash flows from operating activities			
Profit before tax from continued operations	2,5	70 576	26 008
Adjustments for:			
Share of profit of associates	23	(95)	(67)
Amortization	2,8	10 973	10 626
Depreciation	2,6	94 048	87 415
Interest expense, net	3,4	16 936	20 639
Foreign exchange result	3,4	(1 374)	1 175
Loss on disposal of property, plant and equipment and intangibles		(2 790)	9 050
Impairment of property, plant and equipment and intangibles	2,6,8	3 057	4 617
Equity-settled share-based payments expenses	14	14 565	3 085
Working capital changes:			
Change in receivables	13	6 895	12 976
Change in inventories	13	(1 909)	880
Change in other assets	13	(7 173)	(7 502)
Change in payables and other liabilities	13	(15 906)	(55 762)
Change in other provisions and employee benefits	13	(2 988)	(2 463)
Income tax paid		(1 672)	(16 468)
Interest paid	4	(18 630)	(22 689)
Interests received	3	1 694	2 050
Other		2 335	(4 076)
Net cash provided by operating activities		**168 542**	**69 494**
Cash flows from investing activities			
Payments for acquisition of subsidiaries	2	(64 025)	-
Proceeds from the sale of property, plant and equipment, and intangible assets	6,8	-	900
Acquisition of property, plant and equipment	6	(84 532)	(137 746)
Acquisition of intangible assets	8	(9 482)	(5 234)
Repayments/ proceeds from investment loans and borrowings		-	1 592
Net cash used in investing activities		**(158 039)**	**(140 488)**
Cash flows from financing activities			
Proceeds from issue of shares (stock options for employees)		5 667	1 304
Expenditure on the purchase of own shares (stock options for employees)		(27 000)	(1 206)
Proceeds from loans and borrowings		5 029	34 323
Dividends paid to non-controlling interest owners		-	(2 200)
Dividends received from affiliates	23	158	-
Proceeds/(repayment) of finance lease payables		(216)	(323)
Proceeds of finance lease receivables		-	89
Net cash provided by/(used in) financing activities		**(16 362)**	**31 987**
Net change in cash and cash equivalents		**(5 859)**	**(39 007)**
Effect of foreign exchange rate movements		(4 621)	986
Balance sheet change of cash and cash equivalents		(10 480)	(38 021)
Cash and cash equivalents, beginning of period		257 171	259 510
Cash and cash equivalents, end of period		**246 691**	**221 489**

The interim consolidated cash flow statement has to be analyzed jointly with the notes which constitute an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of changes in equity for the 6 months ended June 30, 2015

	Attributable to equity holders						
	Issued capital	Reserved capital	Retained Earnings	Cumulative translation adjustments	**Total equity attributable to equity holders of the parent**	Non-controlling interest	**Total Equity**
As at January 31, 2014	714	738 029	252 753	(11 718)	979 778	64 746	**1 044 524**
COMPREHENSIVE INCOME							
Income for the period	-	-	12 952	-	**12 952**	(1 054)	**11 898**
Currency translation differences (note 14)	-	-	-	(4 621)	**(4 621)**	(179)	**(4 800)**
Impact of net investment hedging (note 14)	-	(1 951)	-	-	**(1 951)**	-	**(1 951)**
Deferred income tax concerning net investment hedges (note 14)	-	371	-	-	**371**	-	**371**
Total Comprehensive Income	**-**	**(1 580)**	**12 952**	**(4 621)**	**6 751**	**(1 233)**	**5 518**
TRANSACTIONS WITH NON-CONTROLLING SHAREHOLDERS							
Equity attributable to non-controlling interests	-	-	-	-	**-**	(2 200)	**(2 200)**
Total transactions with non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**(2 200)**	**(2 200)**
TRANSACTION WITH SHAREHOLDERS							
Employees share option scheme – value of employee services	-	3 085	-	-	**3 085**	-	**3 085**
Acquisition of own shares	-	227	-	-	**227**	-	**227**
Profit on disposal of own shares	-	(447)	-	-	**(447)**	-	**(447)**
Total transactions with shareholders	**-**	**2 865**		**-**	**2 865**	**-**	**2 865**
As at June 30, 2014	**714**	**739 314**	**265 705**	**(16 339)**	**989 394**	**61 313**	**1 050 707**
As at January 1, 2015	714	692 624	304 420	(86 216)	911 542	64 100	**975 642**
COMPREHENSIVE INCOME							
Income for the period	-	-	52 977	-	**52 977**	77	**53 054**
Currency translation differences (note 14)	-	-	-	17 083	**17 083**	4 463	**21 546**
Impact of net investment hedging (note 14)	-	9 589	-	-	**9 589**	-	**9 589**
Deferred income tax concerning net investment hedges (note 14)	-	(1 822)	-	-	**(1 822)**	-	**(1 822)**
Total Comprehensive Income	**-**	**7 767**	**52 977**	**17 083**	**77 827**	**4 540**	**82 367**
TRANSACTIONS WITH SHAREHOLDERS							
Acquisition of own shares	-	(27 000)	-	-	**(27 000)**	-	**(27 000)**
Employees share option scheme – value of employee services	-	14 565	-	-	**14 565**	-	**14 565**
Employees share option scheme – value realized options	-	(7 484)	-	-	**(7 484)**	-	**(7 484)**
Total transactions with shareholders	**-**	(19 919)	**-**	**-**	**(19 919)**	**-**	**(19 919)**
As at June 30, 2015	**714**	**680 472**	**357 397**	**(69 133)**	**969 450**	**68 640**	**1 038 090**

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

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

1. Information on the Group and significant accounting policies

a) General information

AmRest Holdings SE (“the Company”, “AmRest”, “Equity holders of the parent”) 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 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).

Hereafter, the Company and its subsidiaries shall be referred to as “the Group”. The Group’s interim consolidated financial statements for the 6 months ended June 30, 2015 cover the Company, its subsidiaries and the Group’s shares in associates. AmRest, LLC entities are preparing financial statements for the 6 months ended June 30, 2015.

These interim consolidated condensed financial statements were approved by the Company’s Management Board on August 13, 2015.

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 (further Czech), Hungary, Russia, Romania, Serbia, Croatia, Bulgaria and Spain, on the basis of franchises granted. In Spain, France, Germany, China and The United States of America (further USA) 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. 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 (“WSE”).

As at June 30, 2015, WP Holdings VII B.V. was the largest shareholder of AmRest and held 31.71% 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 13, 2015 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%
PZU PTE**	2 800 000	13.20%	2 800 000	13.20%
Nationale-Nederlanden OFE***	2 539 429	11.97%	2 539 429	11.97%
Aviva OFE	2 100 000	9.90%	2 100 000	9.90%

* WP Holdings B.V. as at July 23, 2015 informed about signing binding agreement which, if all conditions are satisfied or waived, will lead to indirect disposal of 6,726,790 of AmRest shares.

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

*** formerly: ING OFE

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.

Agreement describes terms of opening and operating new Burger King restaurant in Poland and Czech. 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 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 25.000 USD to 50.000 USD.

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.

On January 31st, 2014 between Burger King Europe GmbH (BKE), AmRest sp. z o.o., and AmRest Holding SE the amendment to "Strategic Development Agreement" was signed partially amending "Development Agreement" and franchise agreement was signed with AmRest Sp. z o.o., considering opening and running Burger King restaurants in Poland in 2013-2015 years.

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 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 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 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 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.

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.

As at June 24, 2015 Group has started operations of Starbucks in Romania and Bulgaria after 100% share acquisition of sole operators on those markets.

Group is running proprietary brands from La Tagliatella group since April 28th, 2011, when controlling interests of Spanish AmRestTAG S.L. were acquired, and Blue Frog and KABB since December 21st, 2012, when Group acquired controlling interests in Blue Horizon Hospitality PTE Ltd. Group

La Tagliatella proprietary brands are run as equity stores mostly on Spanish market and heavily developed new markets, additionally in Spain are present frichise activities together with well developed supply chain managements processes. In franchise activities entities within Spanish Group are signing agreements with third parties to run restaurant under proprietary brand of AmRest, according to agreement terms they are expected to follow set standards, use common supply chain and pay agreed intital fee and monthly franchise fee based as percentage of net sales. This agreeemnts are long term with restricted terms of notice. La Tagliatella restaurants are places with unique décor serving Italian food, based on fresh, high quality and original ingridients, served in fast casual form.

Proprietary brands of Blue Frog and KABB are only located within Chine. In modern interriors are served dishes from contemporary western quisine meeting high demand from mid and upper class. KABB brand is perceived as premium one with high quality of service and food offered.

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

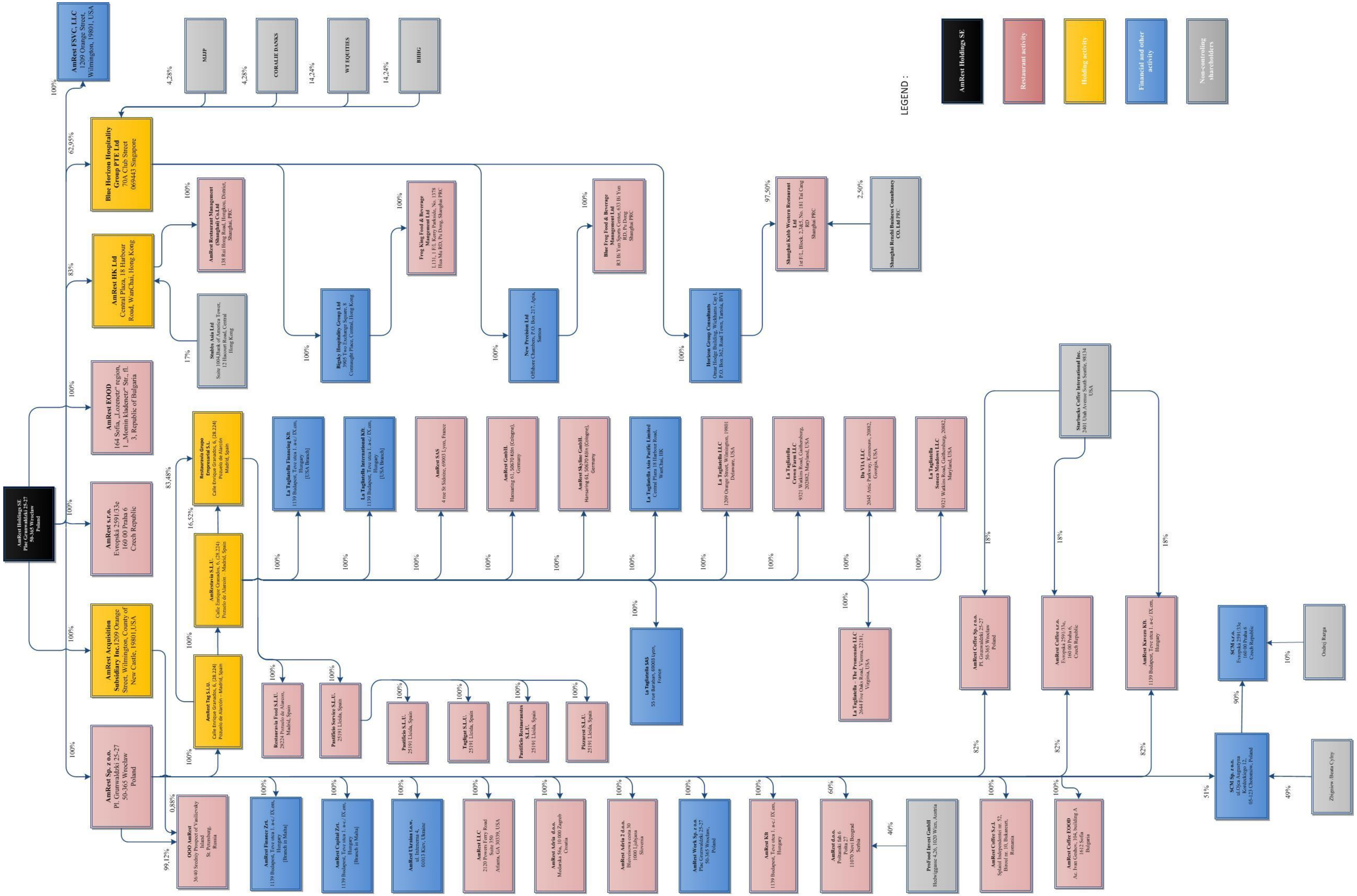
As at June 30, 2015 , the Group comprised the following subsidiaries:

Company name	Seat	Parent/non-controlling undertaking	Owner-ship 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 HK Ltd	Hong Kong, China	AmRest Holdings SE	82.00%	September 2011
		Stubbs Asia Limited	18.00%	
Blue Horizon Hospitality Group PTE Ltd	Singapore, China	AmRest Holdings SE	62.96%	December 2012
		WT Equities	14.24%	
		BHHG	14.24%	
		MJJP	4.28%	
		Coralie Danks	4.28%	
Bigsky Hospitality Group Ltd	Hong Kong, Chiny	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
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 Kávézó 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	Kennesaw, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Crown Farm, LLC	Gaithersburg, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Seneca Meadows, LLC	Gaithersburg, 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
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

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

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
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)	97.50%	December 2012
		Shanghai Renzi Business Consultancy Co. Ltd	2.50%	
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
Pizzarest S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100,00%	September 2014
AmRest Cofee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100,00%	June 2015
AmRest Cofee S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100,00%	June 2015
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
AmRest FSVC LLC	Delaware, USA	AmRest Holdings SE	100.00%	November 2014
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 July 29, 2015 it was agreed to liquidate this entity.



LEGEND :
AmRest Holdings SE
Restaurant activity
Holding activity
Financial and other activity
Non-controlling shareholders
AmRest Holdings SE Plac Grunwaldzki 25-27 50-365 Wrocław Poland
AmRest FSVC, LLC 1209 Orange Street, Wilmington, 19801, USA
Blue Horizon Hospitality Group PTE Ltd 70A Club Street 069443 Singapore
AmRest HK Ltd Central Plaza, 18 Harbour Road, WanChai, Hong Kong
AmRest EOOD
AmRest s.r.o. Evropská 2591/33e 160 00 Praha 6 Czech Republic
AmRest Acquisition Subsidiary Inc.
AmRest Sp. z o.o. Pl. Grunwaldzki 25-27 50-365 Wrocław Poland
MJJP
CORALIE DANKS
WT EQUITIES
BHHG

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

As at June 30, 2015 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	Delivery services for restaurants provided to the Group	SCM Sp. z o.o.	45.90%	March 2007

The Group's office is in Wroclaw, Poland. at June 30, 2015 the restaurants operated by the Group are located in Poland, Czech, Hungary, Russia, Bulgaria, Romania, Serbia, Croatia, Spain, Germany, France and China.

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 6 months ended June 30, 2015 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, 2014.

Accounting policies on which bases the interim condensed consolidated financial statement prepared for the 6 months ended June 30, 2015 and consolidated financial statement for the year ended December 31, 2014 are consistent, except standards, changes in standards and interpretations which are mandatory for reporting periods beginning after January 1, 2015.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2015:

- Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" resulting from the annual improvement project of IFRSs (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on December 18, 2014 (effective for annual periods beginning on or after January 1, 2015),
- IFRIC 21 "Levies" adopted by the EU on June 13, 2014 (effective for annual periods beginning on or after June 17, 2014). The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements.

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 Group's financial statements.

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

c) Form of presentation of the interim condensed consolidated financial statements

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

The interim condensed financial statements were prepared on the historical cost excluding valuation of derivative instruments and investment properties to their fair value.

The preparation of the IFRS interim condensed financial statements requires the Management of the Group 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 described above have been applied consistently in all the financial years covered by the interim condensed consolidated financial statements, except for those instances were changes were made in connection to new standards and interpretations were applied. These policies have been applied consistently by all the entities constituting the Group.

d) Going concern assumption

Information presented below should be read together with information provided in note 0 loans and borrowings.

Interim condensed consolidated financial statements for the period of 6 months ended June 30, 2015 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. Interim condensed consolidated financial statements does not account for adjustments, which would be essential in such events. As at the date of interim condensed consolidated financial statement issuance in assessment made by Group Parent Entity there are no circumstances indicating threats for Group business going concern.

As it was described in note 0 “borrowings” financial liabilities resulting from loan agreement signed September 10, 2013 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. (currently BGŻ BNP Paribas S.A.) and ING Bank Śląski Polska S.A. Based on this agreement capital repayments fall due beginning in 2016. Management of Group Parent Entity had analyzed cash-flows for 12 months since balance sheet date of June 30, 2015 and available financing scenarios. In note 21 the Management presents analysis of liabilities repayment.

e) 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.

f) Unusual events affecting the operating activities

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

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

Apart from transactions described in notes 14 and 0, during the reporting period no issuances, repurchases and repayments of debt and equity securities have been identified.

h) Dividends paid and received.

In the period covered by this Interim Condensed Consolidated Financial Statements Group has received a dividend from non-controlling interest owner of SCM s.r.o. in value PLN 158 thousand.

i) 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 48.400 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).

As a consequence of hawing proprietary brands, which are also subject of franchise activity with third parties Group is applying 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.
- Own brands systematically as at the purchase date are analysed from the point of depreciation and amortisation periods. Currently:
    - La Tagliatella brand is treated as not amortized asset due to indefinite useful life,
    - Blue Frog brand is treated as amortized asset in 20-year period.

j) Earnings per share

The basic and diluted earnings per ordinary share for the 6-months period of 2015 and 2014 was calculated as follows:

	For the 6 months ended June 30, 2015	**For the 6 months ended June 30, 2014**
Net profit attributable to shareholders of the parent (*in thousands of PLN)*	52 977	12 952
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Impact of share options awarded in 2005	-	11 122
Impact of share options awarded in 2006	-	8 894
Impact of share options awarded in 2007	-	-
Impact of share options awarded in 2008	-	3 028
Impact of share options awarded in 2009	-	28 593
Impact of share options awarded in 2010	-	16 786
Impact of share options awarded in 2011	-	117 864
Impact of share options awarded in 2012	-	9 000
Impact of share options awarded in 2013		-
Impact of share options awarded in 2014		-
Impact of share options awarded in 2015		-
Weighted diluted average number of ordinary shares for diluted earnings per share	21 213 893	21 409 180
Basic earnings per ordinary share (PLN)	2.50	0.61
Diluted earnings per ordinary share (PLN)	2.50	0.60

As at December 1st, 2014 year has expired AmRest Holdings S.E. Management Board right to issue new shares up to value of EUR 5 thousand as authorized capital (according to paragraph 4.1 of Company articles of association). Right was granted by shareholders AGM resolution number 13 on June 10, 2011 year. As at June 30, 2015 Company has no availability to issue new shares to settle employee option plans. Settlements of employee options plans are available through treasury stocks in a secondary market or in cash.

2. Segment reporting

AmRest as a Group of dynamic developing entities running operations at many markets and various restaurant business segments is under constant analysis of Executive Committee. This Committee is also constantly reviewing the way how business is analysed and adjust it accordingly to changing Group Structure as a consequence of strategic decisions. Operating segments are 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 of AmRest Group for divisions.

Divisional approach is currently valid solution for strategic analysis and capital allocation decision making process by Executive Committee. This breakdown is mainly consequence of material Group development by acquisition of Restauravia Group in Spain, start of La Tagliatella proprietary brand development in new markets and acquisition of Blue Horizon Group in China. As for the balance sheet date Executivee Committee defines segments in presented below layout.

Segment	Description
CE	Poland, Czech, Hungary, Bulgaria, Croatia, Romania and Serbia.
Spain	KFC and La Tagliatella restaurant operations, together with suplly chain and franchise activity in Spain territory.
New markets	La Tagliatella activitiy in China, France, Germany and USA. Blue Frog and KABB restaurants in China.
Russia	KFC and Pizza Hut activity in Russia.
Unallocated	Consolidation adjustments, 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.

Below are presented data relating to operating segments for the 6 months ended June 30, 2015 and for the comparative period ended June 30, 2014.

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

for the 6 months ended June 30, 2015	**CEE**	**Spain**	**New markets**	**Russia**	**Unallo-cated**	**Total**
Revenue from external customers	912 743	324 851	118 565	203 516	-	1 559 675
Inter-segment revenue	-	-	-	-	-	-
Operating profit/ (loss)	67 369	39 134	(9 463)	11 818	(19 932)	88 926
Finance income	-	-	-	-	3 193	3 193
Finance costs	-	-	-	-	(21 638)	(21 638)
Share of profit of associates	95	-	-	-	-	95
Income tax	-	-	-	-	(17 522)	(17 522)
Deferred tax assets	24 968	5 211	2 087	-	-	32 266
Profit for the period	-	-	-	-	53 054	53 054
Segment assets	962 003	1 120 404	255 962	320 852	46 676	2 705 897
Investments in associates	334	-	-	-	-	334
Total assets	962 337	1 120 404	255 962	320 852	46 676	2 706 231
Goodwill	89 372	375 740	95 035	95 284	-	655 431
Segment liabilities	243 157	78 118	39 833	30 631	1 276 402	1 668 141
Pension, health care, sickness fund state contributions	37 792	16 051	8 002	10 204	1 964	74 013
Depreciation	56 827	17 574	7 192	12 455	-	94 048
Amortization	4 219	5 492	590	590	82	10 973
Capital investment	66 112	16 580	10 361	14 982	80	108 115
Impairment of fixed assets (note 6,8)	(666)	4 122	-	(399)	-	3 057
Impairment of trade receivables	317	-	-	(6)	20	331
Impairment of inventories (note 10)	(15)	-	67	-	-	52
Impairment of other assets	-	-	600	-	-	600

for the 6 months ended June 30, 2014	**CEE**	**Spain**	**New markets**	**Russia**	**Unallo-cated**	**Total**
Revenue from external customers	808 789	291 909	87 936	199 130	-	1 387 764
Inter-segment revenue	-	-		-	-	-
Operating profit/ (loss)	41 135	37 071	(32 292)	11 286	(6 572)	50 628
Finance costs (incl.cost from put option valuation)	-	-	-	-	(26 901)	(26 901)
Finance income	-	-	-	-	2 214	2 214
Share of profit of associates	67	-	-	-	-	67
Income tax	-	-	-	-	(14 110)	(14 110)
Deferred tax assets	24 533	7 237	1 148	-	-	32 918
Profit for the period	-	-	-	-	11 898	11 898
Segment assets	872 078	1 078 012	221 924	388 533	62 579	2 623 126
Investments in associates	384	-	-	-	-	384
Total assets	872 462	1 078 012	221 924	388 533	62 579	2 623 510
Goodwill	22 973	372 739	76 294	126 436	-	598 442
Segment liabilities	180 380	68 730	41 111	30 059	1 252 523	1 572 803
Pension, health care, sickness fund state contributions	33 946	14 006	3 299	9 371	1 618	62 240
Depreciation	54 487	15 327	5 851	11 749	-	87 414
Amortization	3 908	5 490	677	551	-	10 626
Capital investment	60 110	32 169	9 869	40 782	50	142 980
Impairment of fixed assets (note 6,8)	3 967	206	444	-	-	4 617
Impairment of trade receivables	847	36	-	3	-	886
Impairment of inventories (note 10)	-	45	107	-	-	152

Impairment of goodwill (note 7**Błąd! Nie ożna odnaleźć źródła odwołania.**)	-	-	-	-	-	-
Impairment of other assets	778	-	-	-	-	778

Capital expenditure comprises increases in property, plant and equipment (note 6), intangible assets (note 8).

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 countries markets within reporting segments.

Business combinations

Entrance into Romania restaurant market and strengthening Bulgaria presence – acquisition of Starbucks operators

DESCRIPTION OF THE ACQUISITION

As at June 24th, 2015 Group has acquired by AmRest sp. z o.o. from Marinopoulos Coffee SEE B.V. 100% shares in both S.C. Marinopoulos Coffee Company III S.r.l. (currently AmRest Cofee S.r.l.) and Marinopoulos Coffee Company Bulgaria EOOD (currently AmRest Cofee EOOD) for PLN 67 168 thousands (EUR 16,4 million). Transaction was based on agreement signed as at March 4th, 2015.

AmRest Coffee S.r.l. and AmRest Cofee EOOD are the only Starbucks operators on Romania and Bulgaria teritories owing at acquisition date 18 and 5 cofeeshops accordingly.

As a result of the transaction mentioned above the Group has strengthened its presence on Central European market and accelerated development of the Starbucks brand. Entrance into Romanian market, being the second in the Central Europe, with brand in which operations Group is experienced, echoes strategic directions. Expansion of existing business in Bulgaria facilitates expectations of economies of scale, improvements, offer enhancement and optimizations.

PRELIMINARY 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 (PLN thousands):

S.C. Marinopoulos Coffee Company III S.r.l. (currently AmRest Coffee S.r.l.)	**Carrying amount**	**Adjustment of fair value and other adjustments**	**Fair value**
Cash and cash equivalents	2 713	-	2 713
Property, plant and equipment	11 708	(354)	11 354
Other intangible assets	1 359	-	1 359
Other non-current assets	1 311	-	1 311
Inventories	2 603	-	2 603
Trade and other receivables	854	-	854
Loans granted	6 054	-	6 054
Other current assets	1 657	-	1 657
Deferred tax assets	-	47	47
Provisions	-	(4 851)	(4 851)
Trade and other payables	(14 985)	(1 360)	(16 345)
Net assets acquired	13 274	(6 518)	6 756

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

Amount paid in cash	67 164
Total payment for acquisition	67 164
The fair value of net assets	6 756
Goodwill	60 408
Amount paid in cash	67 164
Acquired cash and cash equivalents	2 713
Cash outflows on acquisition	64 451

Marinopoulos Coffee Company Bulgaria EOOD (currently AmRest Cofee EOOD)	**Carrying amount**	**Adjustment of fair value and other adjustments**	**Fair value**
Cash and cash equivalents	430	-	430
Property, plant and equipment	1 114	-	1 114
Other intangible assets	274	-	274
Other non-current assets	38	-	38
Inventories	606	-	606
Trade and other receivables	372	-	372
Other current assets	1	-	1
Loans and borrowings	(6 054)	-	(6 054)
Trade and other payables	(2 810)	-	(2 810)
Net assets acquired	(6 029)	-	(6 029)

Amount paid in cash	4
Total payment for acquisition	4
The fair value of net assets	(6 029)
Goodwill	6 033
Amount paid in cash	4
Acquired cash and cash equivalents	430
Cash outflows on acquisition	(426)

Fair value adjustment are:

	Title	**Methods/key assumptions**
Property plant and equipment	Impairment provision on unused assets	Asset count
Provisions	Potential long term tax exposures from previous periods	Management estimate - based on due dilligence report
Trade and other payables	Liabilities recognition	Assessment and review of liabilities recognition

Deferred tax asset	Deferred tax on assets fair value	16 % income tax rate

The process of allocating the acquisition price to the purchased assets and acquired liabilities has not been completed due the ongoing process of integration and verification of certain risks, especially tax settlements and owned business assets portfolio. No price adjustment was reflected as in current status there is no binding indicators allowing to account for. Due to this fact fair values of assets and liabilities, purchase price and goodwill was presented provisionary.

The fair value and the other adjustments presented in the table above relate mainly to:
- fair value measurement of tangible assets;
- fair value measurement of provisions and trade and other payables;
- fair value measurement of deferred tax asset.

Goodwill was calculated on the basis of the fair value of acquired net assets and refers mainly to benefits from access to Romanian coffeshop market clients, potential of possible economies of scale in Bulgaria in the area of general and admin costs, experienced management team and opportunity to develop other business concepts on Bulgaria and Romania market.

IMPORTANT TERMS OF ACQUISITION AGREEMENT
Agreement on 100% share acquisition in S.C. Marinopoulos Coffee Company III S.r.l. (currently AmRest Cofee S.r.l.) and Marinopoulos Coffee Company Bulgaria EOOD (currently AmRest Cofee EOOD) required opening of escrow account for 18 months after transaction execution date. The escrow account covers part of the acquisition price in value of PLN 13 641 thousands (EUR 3.3 million) and is provided for settling of potential adjustments resulting from certain events after acquisition but caused before that.

INFLUENCE OF THE ACQUISITION ON THE CONSOLIDATED INCOME STATEMENT
Because the acquisition occured in last days of the period ended June 30, 2015 the results of acquired assets have not been reported in the attached interim condensed financial statements. If described above acquisition would have happened as at January 1st, 2015 estimated consolidated revenues for the 6 months ended June 30, 2015 r would grew by PLN 25 726 thousand and net profit would grew by PLN 1 759 thousand. In period for the 6 months ended June 30, 2015 the cost of PLN 720 thousand related to the transaction has been recognized as general and administrative expense.

3. Finance income

	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
Income from bank interests	1 694	2 050
Net foreign exchange gains	1 374	-
Other	124	164
	3 193	**2 214**

4. Finance costs

	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
Interest expense	(18 630)	(22 689)

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

Net foreign exchange losses	-	(1 175)
Other	(3 008)	(3 037)
	(21 638)	**(26 901)**

5. Income tax expense

	For the 6 months ended June 30, 2015	**For the 6 months ended June 30, 2014**
Current tax	(16 329)	(13 522)
Change in deferred tax assets/liabilities recognized in income statement	676	(959)
Change in assets and liabilities due to deferred tax recognized in acquisition note	(47)	-
Change in assets and liabilities due to deferred tax recognized in equity	(1 822)	371
Deferred tax recognized in the income statement	**(17 552)**	**(14 110)**

	For the 6 months ended June 30, 2015	**For the 6 months ended June 30, 2014**
Deferred tax asset		
Opening balance	28 434	21 796
Closing balance	34 088	32 918
Deferred tax liability		
Opening balance	103 591	120 375
Closing balance	108 616	132 085
Change in deferred tax assets/liabilities	**(1 193)**	**(588)**
Of which		
Deferred income tax recognized in income statement	676	(959)
Deferred income tax regarding titles directly reported in equity	(1 822)	371
Deferred income tax regarding titles directly reported in acquisition note	(47)	-

As at June 30, 2015 and June 30, 2014 balance of deferred tax liability was mostly caused by tax effect of temporary differences on property, plant and equipment and intangible assets.

A tax authority may control tax returns (if they have not already been controlled) of Group companies from 3 to 5 years of the date of their filing.

Tax Control Office in Wroclaw on 28 June 2012 decided to initiate proceedings for control of AmRest Sp. z o.o. income tax in 2010, what has finished with decision on October 6, 2014. The Company filed a complaint against the above-mentioned decision to the Voivodship Administrative Court in Wrocław and on May 6, 2015 it was rejected by the decision of this court. Tax duty with accompanying interests was paid in amount of PLN 3.799 thousand. On July 22, 2015 the Company has filed complaints to Supreme Court. Supreme Court proceedings date has not been set until the issuance date of the interim consolidated financial statement.

On September 29th , 2014 was began the fiscal control on tax returns for the period from January1 st 2010 to December 31st 2012 in AmRest OOO. It was ended with a decision issued on December 19th 2014. The allegations presented in a decision of the first instances are the subject of the appeal. To the date of Financial Statement the Company has not received a decision of the appeal.

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

Management believes both of these proceedings will settle in a manner materially irrelevant for the Group except for the value or provisions.

6. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment in first half of 2015 and 2014:

2015	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
Gross value							
As at 01.01.2015	21 414	1 123 225	606 464	3 939	97 869	68 514	**1 921 425**
Additions	-	5 859	2 626	-	3 983	-	**12 468**
Transfers	-	44 323	26 329	1 321	7 304	5 255	**84 532**
Disposals	-	(7 680)	(8 585)	(456)	(1 520)	-	**(18 241)**
Foreign exchange differences	1 302	14 493	8 496	(4)	356	1 194	**25 837**
As at 30.06.2015	22 716	1 180 220	635 330	4 800	107 992	74 963	**2 026 021**
Accumulated depreciation							
As at 01.01.2015	-	441 710	299 403	1 621	43 114	-	**785 848**
Additions	-	49 299	35 436	460	8 853	-	**94 048**
Disposals	-	(6 526)	(7 726)	(329)	(1 344)	-	**(15 925)**
Foreign exchange differences	-	3 380	2 907	(18)	30	-	**6 299**
As at 30.06.2015	-	487 863	330 020	1 734	50 653	-	**870 270**
Impairment write-downs							
As at 01.01.2015	-	86 538	26 961	-	2 226	3 523	**119 248**
Additions	-	1 234	-	-	1 354	469	**3 057**
Disposals	-	(1 256)	(34)	-	(2)	(38)	**(1 330)**
Foreign exchange differences	-	(754)	1 244	-	10	2 884	**3 384**
As at 30.06.2015	-	85 762	28 171	-	3 588	6 838	**124 359**
Net book value as at 01.01.2015	**21 414**	**594 977**	**280 100**	**2 318**	**52 529**	**64 991**	**1 016 329**
Net book value as at 30.06.2015	**22 716**	**606 595**	**277 139**	**3 066**	**53 751**	**68 125**	**1 031 392**

2014	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
Gross value							

As at 01.01.2014	22 920	942 394	544 691	3 463	140 154	100 409	**1 754 031**
Additions	6 209	40 716	29 963	-	6 004	54 820	**137 712**
Disposals	(2 385)	44 458	13 449	-	(56 237)	749	**34**
Discontinued operations	-	(16 095)	(13 482)	(129)	(1 939)	(2 402)	**(34 046)**
Foreign exchange differences	(85)	(3 012)	(1 652)	1	(33)	369	**(4 412)**
As at 30.06.2014	26 659	1 008 461	572 969	3 335	87 949	153 945	**1 853 318**
Accumulated depreciation							
As at 01.01.2014	-	352 326	247 093	1 317	56 053	-	**656 789**
Additions	-	46 563	32 385	339	8 128	-	**87 415**
Transfers	-	(15 836)	(9 786)	-	25 622	-	**-**
Disposals	-	(5 654)	(11 070)	(135)	(1 730)	-	**(18 589)**
Foreign exchange differences	-	(688)	(477)	4	(16)	-	**(1 177)**
As at 30.06.2014	-	408 383	277 717	1 525	36 813	-	**724 438**
Impairment write-downs							
As at 01.01.2014	-	67 590	21 079	-	686	2 178	**91 533**
Additions	-	4 722	623	-	34	3	**5 382**
Disposals	-	(11 051)	(440)	-	(25)	(3 805)	**(7 712)**
Foreign exchange differences	-	163	85	-	-	(37)	**285**
As at 30.06.2014	-	61 424	21 347	-	695	6 023	**89 489**
Net book value as at 01.01.2014	**22 920**	**522 478**	**276 519**	**2 146**	**83 415**	**98 231**	**1 005 709**
Net book value as at 30.06.2014	**26 659**	**538 654**	**273 905**	**1 810**	**50 441**	**147 922**	**1 039 391**

The depreciation was charged to the costs of restaurant operations – PLN 90.068 thousand (prior period: PLN 83.011 thousand), franchise expenses and other – PLN 1.738 thousand (prior period: PLN 1.733 thousand) and administrative expenses PLN 2.242 thousand (prior period: PLN 2.671 thousand).

Transfer are effects of final settlements of put in use assets, outcomes of asset counts, settlements of prepayments and advances for assets.

7. Goodwill

The table below presents changes in the value of goodwill:

	30.06.2015	31.12.2014
Gross value		
At the beginning of the period	579 769	603 137
Acquisition (note 2)	66 441	-
Foreign exchange differences	10 730	(23 368)
At the end of the period	656 940	579 769
Impairment write-downs		
At the beginning of the period	1 447	1 793
Foreign exchange differences	62	(346)
At the end of the period	1 509	1 447
Net book value as at the beginning of the period	**578 322**	**601 344**

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

Net book value as at the end of the period	**655 431**	**578 322**

Acquisitions in previous years

Below table presents changes of goodwill in division of particular acquisitions as at June 30, 2015 and December 31, 2014.

	Acquisition date	**As at 01.01.2015**	Increases	Foreign exchange differences	**As at 30.06.2015**
miklik's food s.r.o.	May 2005	5 420	-	8	5 428
AmRest Kft (previously: Kentucky System Kft)	June 2006	17 324	-	(690)	16 634
OOO AmRest (previously: OOO Pizza Nord)	July 2007	100 611	-	(1 871)	98 740
9 restaurants RostiksKFC	April 2008	24 989	-	(465)	24 524
5 restaurants RostiksKFC	June 2008	3 232	-	(60)	3 172
SCM Sp.z o.o.	October 2008	911	-	-	911
Restauravia Grupo Empresarial S.L.	April 2011	371 512	-	1 227	372 739
Blue Horizon Hospitality PTE Ltd.	December 2012	77 345	-	(1 051)	76 294
AmRest Coffee EOOD	June 2015	-	6 033	-	6 033
AmRest Coffee S.r.l.	June 2015	-	60 408	-	60 408
		578 322	**66 441**	**10 668**	**655 431**

	Acquisition date	**As at 01.01.2014**	Foreign exchange differences	**As at 31.12.2014**
miklik's food s.r.o.	May 2005	5 420	86	5 506
AmRest Kft (previously: Kentucky System Kft)	June 2006	17 324	(534)	16 790
OOO AmRest (previously: OOO Pizza Nord)	July 2007	100 611	(34 407)	66 204
9 restaurants RostiksKFC	April 2008	24 989	(8 475)	16 514
5 restaurants RostiksKFC	June 2008	3 232	(1 096)	2 136
SCM Sp.z o.o.	October 2008	911	-	911
Restauravia Grupo Empresarial S.L.	April 2011	371 512	10 311	381 823
Blue Horizon Hospitality PTE Ltd.	December 2012	77 345	11 093	88 438
		601 344	**(23 022)**	**578 322**

8. Other intangible assets

The table below presents changes in the value of intangible assets in first half of 2015 and 2014:

2015	Proprietary brands	Favourable leases and licence agree-ments	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	Other intangible assets	Relations with franchisees	**Total**
Gross value						
As at 01.01.2015	298 441	6 260	64 926	95 754	183 278	**648 659**
Increases	-	-	1 627	6	-	**1 633**
Transfers	-	13	4 548	4 921	-	**9 482**
Decreases	-	-	(151)	(1 227)	-	**(1 378)**
Foreign exchange differences	(2 876)	(15)	911	(274)	(2 920)	**(5 174)**
As at 30.06.2015	295 565	6 258	71 861	99 180	180 358	**653 222**
Accumulated amortization						

2015	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	Other intangible assets	Relations with franchisees	**Total**
As at 01.01.2015	2 253	4 193	31 158	49 183	28 000	**114 787**
Increases	560	522	2 571	3 609	3 711	**10 973**
Decreases	-	-	(151)	(1 223)	-	**(1 374)**
Foreign exchange differences	166	(9)	169	(291)	(399)	**(364)**
As at 30.06.2015	2 979	4 706	33 747	51 278	31 312	**124 022**
Impairment write-downs						
As at 01.01.2015	101	-	1 414	4 287	-	**5 802**
Decreases	-	-	-	(105)	-	**(105)**
Foreign exchange differences	-	-	(3)	221	-	**218**
As at 30.06.2015	101	-	1 411	4 403	-	**5 915**
Net value as at 01.01.2015	**296 087**	**2 067**	**32 354**	**42 284**	**155 278**	**528 070**
Net value as at 30.06.2015	**292 485**	**1 552**	**36 703**	**43 499**	**149 046**	**523 285**

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

2014	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks trademarks	Other intangible assets	Relations with franchisees	**Total**
Gross value						
As at 01.01.2014	288 373	6 386	58 850	86 866	178 330	**618 805**
Increases	-	-	3 128	2 140	-	**5 268**
Transfers	-	-	320	(354)	-	**(34)**
Decreases	-	-	(361)	(168)	-	**(529)**
Foreign exchange differences	645	2	(114)	(4)	589	**1 118**
As at 30.06.2014	289 018	6 388	61 823	88 480	178 919	**624 628**
Accumulated amortization						
As at 01.01.2014	947	3 206	26 920	43 200	19 814	**94 087**
Increases	464	549	2 388	3 484	3 741	**10 626**
Decreases	-	-	(181)	(348)	-	**(529)**
Foreign exchange differences	(15)	(1)	(30)	32	52	**38**
As at 30.06.2014	1 396	3 754	29 097	46 368	23 607	**104 222**
Impairment write-downs						
As at 01.01.2014	101	-	1 207	3 678	-	**4 986**
Increases	-	-	39	597	-	**636**
Foreign exchange differences	-	-	-	22	-	**22**
As at 30.06.2014	101	-	1 246	4 297	-	**5 644**
Net value as at 01.01.2014	**287 325**	**3 180**	**30 723**	**39 988**	**158 516**	**519 732**
Net value as at 30.06.2014	**287 521**	**2 634**	**31 480**	**37 815**	**155 312**	**514 762**

Other intangible assets cover mainly computer software. Own brands with indefinite useful life value as at June 30, 2015 was equal to PLN 272.686 thousand and as at June 30, 2014 PLN 270.508 thousand.

The amortization was charged to the costs of restaurant operations – PLN 4.834 thousand (prior period: - PLN 4.644 thousand), franchise expenses and other – PLN 3.741 thousand (prior period: PLN 3.759 thousand) and administrative expenses – PLN 2.398 thousand (prior period: PLN 2.793 thousand).

9. Other non-current assets

As at June 30, 2015 and December 31, 2014 the balances of other non-current assets were as follows:

	30.06.2015	**31.12.2014**
Prepaid rental fees	4 044	3 174
Deposits in respect of rentals	41 698	38 600
Other	6 081	5 286
	51 823	**47 060**

10. Inventories

As at June 30, 2015 and December 31, 2014, 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.

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

Inventory write-downs as at June 30, 2015 and December 31, 2014 were presented in table below:

	30.06.2015	31.12.2014
Value for the beginning of the period	278	1 157
Provision created	52	1 130
Provisions released	-	-
Provisions used	(287)	(2 009)
Value for the end of the period	**43**	**278**

11. Trade and other receivables

	30.06.2015	31.12.2014
Trade receivables from non-related entities	42 235	43 837
Trade receivables from related entities (note 24)	9	33
Other tax receivables	16 169	21 707
Other	9 197	8 232
Write-downs of receivables	(8 639)	(7 464)
	58 971	**66 345**

12. Other current assets

	30.06.2015	31.12.2014
Prepaid costs in respect of deliveries of utilities	4 127	4 193
Prepaid lease costs	5 055	5 091
Prepaid property insurance	1 862	1 213
Prepaid professional services cost	1 002	323
Prepaid marketing costs	522	283
Other	11 408	11 052
Write-downs of other current assets	(249)	(2 971)
	23 727	**19 184**

Other current assets are presented in net value taking into consideration impairment provisions.

13. Cash and cash equivalents

Cash and cash equivalents as at June 30, 2015 and June 30, 2014 are presented in the table below:

	30.06.2015	31.12.2014
Cash at bank	229 081	235 093
Cash in hand	17 610	22 078
	246 691	**257 171**

Reconciliation of working capital changes as at June 30, 2015 and June 30, 2014 is presented in the table below:

2015	The balance sheet change	Increase from acquisition	Recognition of capital elements in the employee share option plan	Elimination of intercompany transactions	Foreign exchange differences	Working capital changes

Change in receivables	7 374	1 226	-	(905)	(800)	6 895
Change in inventories	(4 818)	3 209	-	-	(300)	(1 909)
Change in other assets	(9 306)	3 007	-	-	(874)	(7 173)
Change in payables and other liabilities	519	(19 155)	-	905	1 825	(15 906)
Change in other provisions and employee benefits	7 682	(4 851)	(5 325)	-	(494)	(2 988)

2014	The balance sheet change	Increase from acquisition	Put option valuation and settlement	Foreign exchange differences	Working capital changes
Change in receivables	13 058	-	-	(82)	12 976
Change in inventories	952	-	-	(72)	880
Change in other assets	482	-	-	(230)	252
Change in payables and other liabilities	(55 626)	-	-	(136)	(55 762)
Change in other provisions and employee benefits	(2 484)	-	-	21	(2 463)

14. Equity

Share capital

As described in note 1a) On April 27, 2005, the shares of AmRest Holding SE were floated on the Warsaw Stock Exchange (“WSE”).

As at June 30, 2015, 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 EUR).

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.

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

Other supplementary capital

Structure of other supplementary capital is as follows:

	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 value-tion	Employee Options	Own shares	Hedges valuation influence	Trans-actions with non control-ling interests	Reserves total
As at 01.01.2015	**755 692**	**6 191**	**(176 536)**	**(2 673)**	**(4 015)**	**(10 736)**	**124 701**	**692 624**
COMPREHENSIVE INCOMES								
Impact of net investment hedges valuation	-	-	-	-	-	9 589	-	**9 589**
Deferred income tax concerning net investment hedges	-	-	-	-	-	(1 822)	-	**(1 822)**
Comprehensive income total	-	-	-	-	-	7 767	-	**7 767**
TRANSACTIONS WITH SHAREHOLDERS								
Purchase of treasury shares	-	-	-	-	(27 000)	-	-	**(27 000)**
Release of treasury shares	-	-	-	(11 551)	11 551	-	-	-
Employees share option scheme –value of service	-	-	-	14 565	-	-	-	**14 565**
Employees share option scheme –value of realized options	-	-	-	(7 484)	-	-	-	**(7 484)**
Transactions with shareholders total	-	-	-	(4 470)	(15 449)	-	-	**(19 919)**
As at 30.06.2015	**755 692**	**6 191**	**(176 536)**	**(7 143)**	**(19 464)**	**(2 969)**	**124 701**	**680 472**
As at 01.01.2014	**755 692**	**6 191**	**(176 536)**	**24 817**	**-**	**3 164**	**124 701**	**738 029**
COMPREHENSIVE INCOMES								
Impact of net investment hedges valuation	-	-	-	-	-	(1 951)	-	**(1 951)**
Deferred income tax concerning net investment hedges	-	-	-	-	-	371	-	**371**
Comprehensive income total	-	-	-	-	-	(1 580)	-	**(1 580)**
TRANSACTIONS WITH NON-CONTROLLING INTERESTS								
Transactions with non-controlling interests total	-	-	-	-	-	-	-	**-**
TRANSACTIONS WITH SHAREHOLDERS								
Employees share option scheme –value of service	-	-	-	3 085	-	-	-	**3 085**
Purchase of own shares	-	-	-	-	227	-	-	**227**
Net shares value	-	-	-	(447)	-	-	-	**(447)**
Transactions with shareholders total	-	-	-	2 865	-	-	-	**2 865**
As at 30.06.2014	**755 692**	**6 191**	**(176 536)**	**27 455**	**227**	**1 584**	**124 701**	**739 314**

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

Within the bank loans as at June 30, 2015 a loan of EUR 75 million has been disclosed, which is hedging net investment in Hungarian subsidiary AmRest Capital Zrt, hedging the 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 period for the 6 months ended June 30, 2015 hedge was fully effective.

Within the bank loans as at June 30, 2015 a loan of EUR 75 million has been included which is hedging net investment in Spanish subsidiary AmRest TAG S.L., hedging the Group from currency exchange risk resulting from revaluation 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 period for the 6 months ended June 30, 2015 hedge was fully effective.

As at June 30, 2015 hedged position was part of consolidated interim condensed financial statements therefore cumulated value of currency revaluation was still recognized in reserve capital and accounted for PLN 9.589 thousand and deferred tax for PLN 1.822 thousand.

Net investment hedges:	Net investment in EUR	Valuation effects of hedges
As at 01.01.2014	**3 164**	**3 164**
impact of the valuation of cash flow hedges	-	**-**
deferred tax	-	**-**
Effect of hedging instruments net investment	(1 951)	**(1 951)**
deferred tax	371	**371**
As at 30.06.2014	**1 584**	**1 584**
As at 01.01.2015	**(10 736)**	**(10 736)**
impact of the valuation of cash flow hedges	-	-
deferred tax	-	-
Effect of hedging instruments net investment	9 589	9 589
deferred tax	(1 822)	(1 822)
As at 30.06.2015	**(2 969)**	**(2 969)**

Retained Earnings

Retained Earnings of a Group according to 16th resolution of Annual Shareholders Meeting dated June 10, 2011 includes also reserve fund in value of PLN 50 million 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.

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 Group’s foreign operations into Polish zloties.

	For the 6 months ended June 30, 2015	**For the 6 months ended June 30, 2014**
At the beginning of the period	(86 216)	(11 718)
Foreign exchange differences from net assets revaluation in subsidiaries	17 083	(4 621)
At the end of the period	**(69 133)**	**(16 339)**

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

15. Borrowings

Borrowings as at June 30, 2015 and December 31, 2014 are presented in the table below:

Long-term	**30.06.2015**	**31.12.2014**
Bank loans	828 446	837 272
Bonds	278 830	278 775
	1 107 276	**1 116 047**

Short-term	**30.06.2015**	**31.12.2014**
Bank loans	5 392	337
	5 392	**337**

Bank loans and bonds

Currency	**Lender/ bookbuilder**	**Effective interest rate**	**30.06.2015**	**31.12.2014**
in PLN	Syndicated bank loan	3.87%	139 300	138 077
in EUR	Syndicated bank loan	2.74%	625 824	636 068
in CZK	Syndicated bank loan	3.26%	61 415	61 194
in PLN	Bonds 5 years (issued in 2013 and 2014)	6.05%	278 830	278 775
other	Overdraft - China	8,02%	7 299	2 270
			1 112 668	**1 116 384**

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

On September 10, 2013 a Credit Agreement ("the Agreement") between AmRest, AmRest Sp. z o.o.("AmRest Poland") and AmRest s.r.o. – jointly "the Borrowers" and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. (Currently BGŻ BNP Paribas 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 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. The facility is dedicated for repayment of the obligations under the credit agreement signed October 11, 2010 along with further annexes, financing development activities of AmRest and working capital management. The facility shall be fully repaid by September 10, 2018. 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.U., 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. These entities secure Borrowers' repayment of borrowings until final repayment.

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 (see note 21).

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 ("5 years bonds"), on the basis of which option program for corporate bonds of AmRest was released, allowing to issue bonds in total maximum value of PLN 300 million, where bonds in the value of PLN 150 million were issued already. Agreement was signed for agreed period till July 9, 2015 with period extension options till repayment of all issued bonds.

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

On August 22, 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, 2019. Program extension is possible until redemption of all bonds issued.

On June 18, 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, 2018. Interest is paid on semi-annual basis (June 30 and December 30), beginning December 30 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.

On September 10th 2014 AmRest made an early redemption of bonds for the total value of PLN 131,5m. At the same time, AmRest issued 14 000 bonds in the total nominal value of PLN 140m with maturity date September 10th 2019. The bonds have a variable interest rate of 6M WIBOR increased by margin. The interest is paid semi-annually (on June 30th and December 30th). 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 September 10, 2014 (accordingly: <3.5; >0.3; >3.5;). There are no additional securities on the bond issue.

On December 30th 2014 AmRest made a redemption of bonds that reached maturity date on Dec 30th 2014 with the face value of PLN 18,5m. At the end of 2014 AmRest has two bond issues outstanding: PLN 140m with maturity date June 30th 2018 and PLN 140m maturing on Sept 10th 2019.

As at June 30, 2015 the payables concerning bonds issued amounted to PLN 278.830 thousand.

The maturity of long- and short-term loans and bonds as at June 30, 2015 and December 31, 2014 is presented in the table below:

	30.06.2015	**31.12.2014**
Up to 1 year	5 392	337
Between 1 and 2 years	82 062	82 891
Between 2 and 5 years	1 025 214	1 033 156
More than 5 years	-	-
	1 112 669	**1 116 384**

The Group has the following unused, awarded credit limits as at June 30, 2015 and December 31, 2014:

	30.06.2015	**31.12.2014**
With floating interest rate		
- expiring within one year	15 000	19 530
- expiring beyond one year	200 000	206 457
	215 000	225 987

16. Other non-current liabilities

Other non-current liabilities cover the long-term portion of deferred income of rents. Deferred income amount PLN 15.815 thousand and PLN 17.145 thousand respectively as at June 30, 2015 and December 31, 2014 and non-current trade payables as at June 30, 2015 in the value PLN 608 thousand.

17. Liabilities in respect of wages and salaries and employee benefits

Employee share option plan 2

In April 2005, the Group implemented Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Management

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

Board, however, it may not exceed 3% of all the outstanding shares. Moreover, the number of shares purchased by employees through exercising options is limited to 200 000 per annum. In accordance with the provisions of the Plan, the Group, following approval by the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of awarding the option, and the vesting period will be 3 to 5 years. The Employee Option Plan was approved by the Company's Management Board and the General Shareholders' Meeting.

In January 2010, Supervisory Board of Group parent entity approved resolution confirming and systemizing total amount of shares for which may be issued options that will not exceed allowed 3% of shares in market.

In June 2011, Supervisory Board of Group parent entity approved and changed the prevoius note related to the number of shares purchased by employees through exercising options is limited to 100 000 per annum.

In November 2014, Supervisory Board of Group parent entity approved and changed wording of regulations by adding net cash settlement of option value. Change this resulted in liability in value of PLN 30.570 thousands as at June 30, 2015 according to group policy.

Employee share option plan 3

In December, 2011, the Group implemented further Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Supervisory Board, however, it may not exceed 1 041 000 shares. In accordance with the provisions of the Plan, the Supervisory Board of Group, on request of the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of preceding the day of awarding the option, and the vesting period will be 3 years. The option exercise price will increase by 11% each year. The Employee Option Plan was approved by the Company's Supervisory Board.

In November 14, 2014 were signed agreements with Management Board Members being part of this share option plan. This agreement provides minimal USD 6 million value of payment in case of reaching agreed financial strategic goals for years 2014-2016. Right to this payout is granted in three equal instalments after reaching goal for every year. Reaching goals for cumulative three years warrants full payout despite missing some of previous stage year goals. In case that as at December 31, 2016 closing price of AmRest shares is above PLN 142,- minimal payment is cancelled. In addition, selecting implementation options during the calculation of guaranteed payments for lost her right. If during the minimal payment vesting period any options are executed the liability is cancelled. As a consequence of this modification as at June 30, 2015 PLN 9.694 thousands of liabilities was recognized according to group policy.

Liabilities in respect of wages and salaries and employee benefits as at June 30, 2015 and December 31, 2014 are presented in a table below:

	30.06.2015	**31.12.2014**
Liability for Employee share option plan 2	30 570	19 174
Liability for Employee share option plan 3	9 694	15 765
Other	7 111	4 667
	47 375	**39 606**

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

18. Trade and other payables

Trade and other payables as at June 30, 2015 and December 31, 2014 cover the following items:

	30.06.2015	**31.12.2014**
Payables to non-related entities, including:	249 276	255 072
Trade payables	153 300	154 696
Payables in respect of uninvoiced lease fees and deliveries of food	15 308	14 655
Employee payables	23 530	23 917
Social insurance payables	17 028	19 866
Other tax payables	11 545	13 549
Gift voucher liabilities	999	1 373
Other payables to non-related entities	27 566	27 016
Liabilities to related entities (note 24)	20	5
Accruals, including:	91 103	82 124
Employee bonuses	27 376	21 561
Marketing services	14 681	7 427
Holiday pay accrual	14 567	11 136
Professional services	4 390	3 772
Franchise fees	8 858	12 919
Lease cost provisions	8 093	11 237
Investment payables accrual	6 615	7 823
Other	6 523	6 249
Deferred income – short-term portion	5 088	7 295
Social fund	625	377
Total trade and other payables	**346 112**	**344 873**

19. Finance lease liabilities

Financial lease liabilities – present value:

	30.06.2015	**31.12.2014**
Payable within 1 year	1 070	767
Payable from 1 to 5 years	4 004	2 499
Payable after 5 years	3 562	4 813
	8 636	**8 079**

Finance lease liabilities – minimum lease payments:

	30.06.2015	**31.12.2014**
Payable within 1 year	1 957	1 604
Payable from 1 to 5 years	5 634	4 808
Payable after 5 years	5 598	6 448
Total minimum lease payments	13 190	12 860
Future finance costs in respect of finance leases	(4 553)	(4 781)
Present value of finance lease liabilities	**8 637**	**8 079**

20. Operating leases

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.

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

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

	30.06.2015	**31.12.2014**
Payable within 1 year	278 656	264 688
Payable from 1 to 5 years	982 502	947 603
Payable after 5 years	782 284	790 928
Total minimum lease payments	**2 043 442**	**2 003 219**

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.

21. Critical accounting estimates and judgments

Gain or loss from revaluation at appropriate exchange rate as of end of financial period of signed forward contracts and instruments from delayed payments are reconciled in income statements.

Fair value estimation

As at financial statement publishing date fair value of financial instruments which are in turnover on active market bases on market quotation. Fair value of financial instruments which aren't in turnover on active market is calculated by using valuation techniques. The Group uses different methods and assumes assumptions based on market conditions as at each balance sheet date. Fair value of financial assets available for sale, which aren't in turnover on active market, is calculated with using sector indexes and last available financial information concerned investment. Fair value of currency exchange rate option and forwards is calculated based on valuation made by banks which issued the instrument. Balance sheet value of receivables including impairment and balance sheet value of payables are similar to their fair values due to short term capacity.

Following fair value valuations concerned financial instruments were used by the Group:

- quoted prices (not adjusted) from active markets for the same assets and liabilities (Level 1),
- input data different from quoted prices included in Level 1, which are observed for assets and liabilities directly (as prices) or indirectly (based on prices) (Level 2),
- input data for valuation of assets and liabilities, which don't base on possible to observe market data (input data not observed) (Level 3).

	Level 1	**Level 2**	**Level 3**	**30.06.2015**
Investment property	-	22 152	-	22 152

Investment property belongs to the "CEE" segment, their fair value was based on valid stock exchange quoting being on active market. As at June 30, 2015 the Group did not possess financial instruments valuated at fair value. As at June 30, 2015 the Group did not recognizes the transfers between levels of fair value valuations.

For the purpose of the risk management related to certain transaction within the Group forward currency contracts are used. Open contracts as at June 30, 2015 are not designated as cash flow hedges, fair value hedges or net investment hedges in foreign operations. They are signed for periods not longer than risk exposition periods, prevailing for one to twelve months. As at June 30, 2015 the Group did not possess open contracts.

The Group is exposed to several financial risks in connection with its activities, including: the risk of market fluctuations (covering the foreign exchange risk and risk of changes in interest rates), risk related to financial liquidity and – to a limited extent – credit risk. The risk management program implemented by the Group 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 based on procedures approved by the Management Board.

Credit risk

Financial instruments especially exposed to credit risk include cash and cash equivalents, receivables, derivatives and investments held to maturity. The Group invests cash and cash equivalents with highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to the fact that sales are based mainly on cash and credit card payments. The Group set up an additional impairment write-down of PLN 331 thousand for the Group's receivables exposed to credit risk and in for the 6 months ended June 30, 2015. The maximum credit risk exposure amounts to PLN 305.662 thousand.

Interest rate risk

Bank borrowings drawn by the Group are most often based on fluctuating interest rates (note 0). As at June 30, 2015 the Group does not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The Group analyzes the market position relating to interest on loans in terms of potential refinancing of debt or renegotiating the lending terms and conditions. The impact of changes in interest rates on results are analyzed in quarterly periods.

Foreign exchange risk

The Group is exposed to foreign exchange risk related to transactions in currencies other than the functional currency in which the business operations are measured in particular Group companies. Foreign exchange risk results from future business transactions, recognized assets and liabilities. Moreover, lease payments related to a significant part of the Group's lease agreements are indexed to the exchange rate of the American dollar or the euro. Nevertheless, the Group is trying to sign lease agreements in local currencies whenever possible, but many landlords require that the lease payments be indexed to the euro or to the American dollar.

For hedging transactional risk and risk resulting from revaluation of recognized assets and liabilities Group uses derivative forward financial instruments.

Net investment foreign currency valuation risk

Group is exposed to risk of net investment valuation in subsidiaries valued at foreign currencies. This risk is hedged for key positions with use of net investment hedge.

Group applies hedging accounting for revaluation of borrowings, forwards and put option liability in EUR which constitutes net investment hedges in Hungarian and Spanish related parties. Details concerning hedging on currency risk are described in note 14.

Liquidity risk

Prudent financial liquidity management assumes that sufficient cash and cash equivalents are maintained and that further financing is available from guaranteed funds from credit lines.

The table below shows an analysis of the Group's financial liabilities which will be settled in net amounts in particular ageing brackets, on the basis of the term to maturity as at the balance sheet date. The amounts shown in the table constitute contractual, undiscounted cash flows.

The maturity break-down of long- and short-term borrowings as at June 30, 2015 and December 31, 2014 is presented in note 0.

Capital risk

The Group 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. Financing at the level of 3.5 of yearly EBITDA is treated as acceptable target and safe level of capital risk.

The Group monitors capital using the gearing ratio. The ratio is calculated as net debt to the value of EBITDA. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents. EBITDA is calculated as the profit from operations before interest, taxes, depreciation and amortization and impairment.

The Group's gearing as at June 30, 2015 and December 31, 2014 is as follows:

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

	30.06.2015	31.12.2014
Total borrowings (note 0)	1 262 863	1 116 384
Finance lease liabilities (note 19)	8 636	8 079
Less: Cash and cash equivalents (note 13)	(246 691)	(257 171)
Net debt	874 613	867 292
Income from operating activity before interests, tax, depreciation, gain/loss on fixed assets sale and impaiment after adjustment of profit from sold assets in USA	410 908	367 713
Gearing ratio	**2.13**	**2.36**

The change in the gearing ratio as at June 30, 2015 is driven by better operating results.

22. 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 1i).

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.

The status of the guarantees offered by the Group as at June 30, 2015 are as follows:

	Guarantee site	Guarantee mechanism	Maximum amount
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 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

23. Investment in associates

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

	30.06.2015	31.12.2014
At the beginning of the period	403	320
Share in profits and losses of associates	95	195
Dividend payment	(158)	-
Other	(6)	(112)
Balance as at the end of the year	**334**	**403**

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, 2015						

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

SCM s.r.o.	Czech	778	149	735	207	45.90
June 30, 2014						
SCM s.r.o.	Czech	629	120	561	147	45.90
BTW Sp.z o.o.	Poland	394	241	388	(83)	25.50

24. Transactions with related entities

Trade and other receivables from related entities

	30.06.2015	31.12.2014
MPI Sp. z o. o.	7	5
Associates	2	28
	9	**33**

Trade and other payables to related entities

	30.06.2015	31.12.2014
MPI Sp. z o. o.	18	1
Associates	2	4
	20	**5**

Sales of goods for resale and services

	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
MPI Sp. z o. o.	37	16
Associates	-	26
	37	**42**

Purchase of goods for resale and services

	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
MPI Sp. z o. o.	582	727
Associates	-	-
	582	**727**

Other related entities

Group shareholders

As at June 30, 2015, WP Holdings VII B.V. was the largest shareholder of AmRest and held 31.71% of its shares and voting rights (see note 25), and as such was its related entity. No material transactions with WP Holdings VII B.V. related parties were noted.

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:

	For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
Remuneration of the members of the Management and Supervisory Boards paid directly by the Group	4 498	2 476
Total remuneration paid to the Management Board and Supervisory Board	**4 498**	**2 476**

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

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 1.664 thousand and PLN 2.036 thousand respectively in the 6 month periods ended June 30, 2015 and June 30, 2014.

		For the 6 months ended June 30, 2015	For the 6 months ended June 30, 2014
Number of options awarded		819 148	680 750
Number of available options		289 148	138 650
Fair value of options as at the moment of awarding	PLN	24 361 551	17 147 090

As at June 30, 2015 and June 30, 2014, there were no liabilities to former employees.

25. Events after the balance sheet date

WP Holdings VII B.V. informs on July 23rd, 2015 about entering into a binding agreement that, if all conditions are satisfied or waived, will lead to indirect disposal of 6,726,790 of AmRest shares.

On July 29th, 2015 a resolution dissolving TAG USA was adopted.

On August 12th, 2015 Extraordinary Shareholders Meeting adopted resolutions:

- to revoke Mr. Per Steen Breimyr and Mr. Peter A. Bassi from Supervisory Board of the Company
- to appoint Mrs. Zofia Dzik and Mr. Krzysztof A. Rozen as a members of the Company's Supervisory Board.

On August 12th, 2015 Company has received from Mr. Amr Kromfol and Mr. Joseph P. Landy resignation letters from Supervisory Board of the Company, conditional upon and with effect as of the moment when Warburg Pincus Group will cease to hold directly or indirectly any shares of AmRest Holdings SE.

On August 12th, 2015 Company has received notice from WP Holdings B.V. requesting Management Board to call Extraordinary Shareholders Meeting for 7th September 2015, with proposed key agenda point on changes in Supervisory Board.

Signatures of Board Members

Drew O'Malley AmRest Holdings SE Board Member	Mark Chandler AmRest Holdings SE Board Member
Wojciech Mroczyński AmRest Holdings SE Board Member	Jacek Trybuchowski AmRest Holdings SE Board Member

Wrocław, August 13, 2015