STATUTORY REPORTS

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The Directors are pleased to present the Financial Statements of Restaurant Brands New Zealand Limited for the year ended 29 February 2008 contained on pages 30 to 60.

For and on behalf of the Board of Directors:

E K VAN ARKEL
Chairman
9 April 2008

D A PILKINGTON
Director
9 April 2008

FOR THE YEAR ENDED 29 FEBRUARY 2008

INCOME STATEMENT

$NZ000's	Note	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
CONTINUING OPERATIONS					
Store sales revenue	1	303,547	293,646	–	–
Other revenue	1	447	415	5,827	7,769
Total operating revenue		303,994	294,061	5,827	7,769
Cost of goods sold		(248,579)	(239,750)	–	–
Gross profit		55,415	54,311	5,827	7,769
Distribution expenses		(4,922)	(5,965)	–	–
Marketing expenses		(18,391)	(19,329)	–	–
General and administrative expenses		(10,962)	(11,082)	–	–
Results (EBIT) before non-trading		21,140	17,935	5,827	7,769
Non-trading	4	(3,404)	(4,424)	–	–
Earnings before interest and taxation (EBIT)		17,736	13,511	5,827	7,769
Interest revenue		84	440	–	–
Interest expense		(5,037)	(3,847)	(4,924)	(3,697)
Net financing expenses		(4,953)	(3,407)	(4,924)	(3,697)
Profit before taxation		12,783	10,104	903	4,072
Taxation expense	5	(3,312)	(3,797)	1,625	1,219
Profit after taxation from continuing operations		9,471	6,307	2,528	5,291
DISCONTINUED OPERATIONS					
Loss from discontinued operations (net of taxation)	2	(456)	(9,861)	–	–
Total profit / (loss) after taxation attributable to shareholders	1	9,015	(3,554)	2,528	5,291
Basic earnings per share from continuing operations (cents)	15	9.75	6.49	2.60	5.45
Basic earnings per share from discontinued operations (cents)	2, 15	(0.47)	(10.15)	–	–
Basic earnings per share from total operations (cents)	15	9.28	(3.66)	2.60	5.45

The difference between basic and diluted earnings per share is not material (refer to Note 15).

FOR THE YEAR ENDED 29 FEBRUARY 2008

STATEMENT OF RECOGNISED INCOME AND EXPENSES

$NZ000's	Note	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
Profit / (loss) after taxation		9,015	(3,554)	2,528	5,291
Movements in foreign currency translation reserve	12	11	(9)	–	–
Other movements in reserves	12	–	(8)	–	–
Total recognised revenues and expenses		9,026	(3,571)	2,528	5,291

AS AT 29 FEBRUARY 2008

BALANCE SHEET

$NZ000's	Note	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
NON-CURRENT ASSETS					
Property, plant and equipment	6	78,104	81,472	–	–
Investments in subsidiaries	8	–	–	150,396	150,396
Intangible assets	7	29,431	28,420	–	–
Deferred tax asset	9	–	2,098	–	–
Total non-current assets		107,535	111,990	150,396	150,396
CURRENT ASSETS					
Inventories	10	2,075	2,022	–	–
Trade and other receivables	11, 22	1,512	891	–	–
Income tax receivable		764	1,294	–	–
Cash	22	1,061	1,100	–	–
Assets classified as held for sale	3	22	437	–	–
Total current assets		5,434	5,744	–	–
Total assets		112,969	117,734	150,396	150,396
EQUITY					
Share capital	14	25,622	25,622	25,622	25,622
Reserves	12	205	187	92	85
Retained earnings	12	10,010	6,822	(24,776)	(21,477)
Total equity	12	35,837	32,631	938	4,230
NON-CURRENT LIABILITIES					
Provisions and deferred income	18	5,593	5,189	–	–
Loans and finance leases	16, 22	42,871	49,171	42,498	48,580
Deferred tax liability	9	638	–	–	–
Total non-current liabilities		49,102	54,360	42,498	48,580
CURRENT LIABILITIES					
Bank overdraft	22	–	–	267	981
Loans and finance leases	16, 22	513	795	–	–
Creditors and accruals	17, 22	24,721	24,550	533	312
Provisions and deferred income	18	1,509	1,868	–	–
Amounts payable to subsidiary companies		–	–	106,160	96,293
Liabilities classified as held for sale	3	1,287	3,530	–	–
Total current liabilities		28,030	30,743	106,960	97,586
Total liabilities		77,132	85,103	149,458	146,166
Total equity and liabilities		112,969	117,734	150,396	150,396

The accompanying policies and notes form an integral part of the financial statements.

FOR THE YEAR ENDED 29 FEBRUARY 2008

STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
$NZ000's	Note	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided by / (applied to):					
Receipts from customers		311,158	320,014	–	–
Payments to suppliers and employees		(275,716)	(295,870)	–	–
Dividends received		–	–	5,827	7,769
Interest paid		(4,871)	(3,741)	(4,703)	(3,590)
Interest received		84	440	–	–
Receipt of income tax		667	5	2,063	1,808
Net cash from operating activities	21	31,322	20,848	3,187	5,987
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided by / (applied to):					
Payment of intangibles	7	(3,481)	(3,304)	–	–
Purchase of property, plant and equipment		(14,755)	(24,543)	–	–
Proceeds from disposal of property, plant and equipment		26	33	–	–
Sale of discontinued operations		(311)	(1,851)	–	–
Advances from / (to) subsidiary company		–	–	9,867	(14,366)
Net cash (used in) / from investing activities		(18,521)	(29,665)	9,867	(14,366)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was provided by / (applied to):					
Cash received on the exercise of options	12	–	46	–	46
(Decrease) / increase in loans	16	(6,188)	16,405	(6,082)	16,215
(Decrease) in finance leases	16	(394)	(213)	–	–
Dividends paid to shareholders		(5,827)	(7,769)	(5,827)	(7,769)
Supplementary dividends paid		(431)	(590)	(431)	(590)
Net cash (used in) / from financing activities		(12,840)	7,879	(12,340)	7,902
Net (decrease) / increase in cash held		(39)	(938)	714	(477)
Effect of exchange rate fluctuations on cash held		–	5	–	–
Net (decrease) / increase in cash held		(39)	(933)	714	(477)
RECONCILIATION OF CASH BALANCES					
Cash at the beginning of the year:		1,100	2,033	(981)	(504)
Cash at the end of the year:					
Cash on hand		340	358	–	–
Cash at bank		721	742	(267)	(981)
		1,061	1,100	(267)	(981)
Net (decrease) / increase in cash held		(39)	(933)	714	(477)

The accompanying policies and notes form an integral part of the financial statements.

FOR THE YEAR ENDED 29 FEBRUARY 2008

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Restaurant Brands New Zealand Limited, a company domiciled in New Zealand, is registered under the Companies Act 1993 and is listed on the New Zealand Stock Exchange ("NZX"). The company is an issuer in terms of the Financial Reporting Act 1993. The consolidated financial statements presented are those for Restaurant Brands New Zealand Limited (the Company) and the Restaurant Brands Group (the Group). The Group consists of the Company and its subsidiaries.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. Compliance with NZ IFRS ensures that the financial statements also comply with International Financial Reporting Standards ("IFRS"). The financial statements were approved by the Board of Directors on 9 April 2008.

BASIS OF PREPARATION

The consolidated financial statements comply with the Financial Reporting Act 1993 and comprise statements of the following: income statement, statement of recognised income and expenses, balance sheet, cash flows, significant accounting policies, as well as the notes to these statements.

The consolidated financial statements are presented in New Zealand dollars which is the Company's functional currency. The financial information has been rounded to the nearest thousand.

The Group divides its financial year into thirteen four week periods. The 2008 full year results are for 52 weeks (364 days). Occasionally a "leap year" of 53 weeks is required to adjust the accounting year to a calendar basis.

ACCOUNTING CONVENTION

The consolidated financial statements have been prepared on the historical cost basis, except for financial derivatives which are stated at their fair value and are discussed further below.

The policies set out as follows have been consistently applied by Group entities.

ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are: goodwill impairment in Note 7 in relation to Pizza Hut New Zealand, and costs related to the exit of Pizza Hut Victoria in Note 2.

In relation to taxation, there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

FOR THE YEAR ENDED 29 FEBRUARY 2008

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The following significant accounting policies have been adopted:

BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra group balances and profits resulting from intra group transactions are eliminated in preparing the consolidated financial statements.

FOREIGN CURRENCY

Transactions in foreign currencies are translated to the respective functional currencies of individual Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences in respect of the net investment in foreign operations (see below).

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at exchange rates at the reporting date. The income and expenses of foreign operations, are translated to New Zealand dollars at exchange rates at the dates of the transactions.

Exchange differences arising from the translation of the net investment in foreign operations are recognised in the foreign currency translation reserve and are released to the income statement upon disposal. All differences which arose prior to 1 March 2005 have, upon adoption of NZ IFRS, been transferred to retained earnings.

FINANCIAL INSTRUMENTS

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, which are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost, cash and cash equivalents, loans and borrowings (initially recognised at fair value plus transaction costs and subsequently measured at amortised cost), and trade and other payables which are stated at cost.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs, except as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

FOR THE YEAR ENDED 29 FEBRUARY 2008

Accounting for finance income and expense is outlined as follows.

Derivative financial instruments

The Group has various derivative financial instruments to manage the exposures that arise due to movements in foreign currency exchange rates and interest rates arising from operational, financing and investment activities. The Group does not hold derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as fair value through the profit or loss. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

REVENUE RECOGNITION

Goods sold and services rendered

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs of possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Grants

A grant is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

Net funding costs

Net funding costs comprise: interest payable on borrowings calculated using the effective interest rate method; interest received on funds invested calculated using the effective interest rate method; foreign exchange gains and losses; gains and losses on certain financial instruments that are recognised (ie unhedged derivatives) in the income statement; unwinding of the discount on provisions and impairment losses on financial assets.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Lease Payments

- Finance leases
  Minimum lease payments under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.
- Operating leases
  Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of subsidiaries and business combinations.

- Acquisitions prior to 1 March 2005

  As part of its transition to NZ IFRS, the Group elected to restate only those business combinations that occurred on or after 1 March 2005. In respect of acquisitions prior to 1 March 2005, goodwill represents the amount recognised under previous NZ GAAP.
- Acquisitions on or after 1 March 2005.
  For acquisitions on or after 1 March 2005, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Goodwill is measured at cost, less accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment.

Franchise costs

Franchise costs are those incurred in obtaining franchise rights or licences to operate quick service and take-away restaurant concepts. They include, for example, the initial fee paid to a system franchisor when a new store is opened. These are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is on a straight-line basis over the life of the applicable franchise or license agreement.

Concept development costs and fees

Concept development costs and fees include certain costs, other than the direct cost of obtaining the franchise, associated with the establishment of quick service and take-away restaurant concepts. These include, for example, professional fees and consulting costs associated with the establishment of a new brand or business acquisition.

These costs are capitalised where the concept is proven to be commercially feasible and the related future economic benefits are expected to exceed those costs with reasonable certainty. These are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the period which future economic benefits are reasonably expected to be derived.

Software costs

Software costs have a finite useful life. Software costs are capitalised and amortised over the estimated economic life of three years.

PROPERTY, PLANT AND EQUIPMENT

Owned assets

Property plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where appropriate, the cost of property, plant and equipment includes site preparation costs, installation costs and the cost of obtaining resource consents. Borrowing costs associated with property, plant and equipment are expensed as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated initially at an amount equal to the lower of its fair value and present value of the future minimum lease payments. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Group's balance sheet. The Group also leases certain plant and equipment and land and buildings by way of operating lease. The cost of improvements to leasehold assets is capitalised as buildings or leasehold improvements and then depreciated as outlined below.

Capital work in progress

All costs relating to an asset are first recorded in capital work in progress. Once all associated costs for an asset are established with relative certainty, the asset is then transferred from work in progress and capitalised into fixed assets.

Store start up costs

Costs incurred in connection with the assessing the feasibility of new sites are expensed as incurred with the exception of franchise costs and certain development costs and fees as discussed above.

FOR THE YEAR ENDED 29 FEBRUARY 2008

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Depreciation

Depreciation is recognised in the income statement and is calculated on a straight line basis to allocate the cost of an asset, less any residual value, over its estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives of fixed assets are as follows:

Leasehold improvements	5–20 years
Plant and equipment	3–12.5 years
Motor vehicles	4 years
Furniture and fittings	3–10 years
Computer equipment	3–5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price less the estimated costs of marketing, selling and distribution. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

STATEMENT OF CASH FLOWS

The following are definitions of the terms used in the Statement of cash flows:

a) Cash comprises; cash at bank, cash on hand and overdraft balances;

b) Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments; Investments can include securities not falling within the definition of cash;

c) Financing activities are those activities which result in changes in the size and composition of the capital structure of the Company;

d) Operating activities include all transactions and other events that are not investing or financing activities.

DIVIDENDS

Dividends are accrued in the period that they are authorised.

IMPAIRMENT

The carrying amounts of the Group's assets (except for inventories and deferred tax assets) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists then the asset's Cash Generating Unit's or (CGU's) recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Except for impairment losses on goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

FOR THE YEAR ENDED 29 FEBRUARY 2008

SHARE CAPITAL

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

EMPLOYEE BENEFITS

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value.

Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest. The fair value of the options granted is measured using an options pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Company's) and head office expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Business segments

The Group comprises the following main business segments:

- KFC
- Pizza Hut New Zealand
- Starbucks Coffee
- Pizza Hut Victoria

The main activities of these business segments is the operation of quick-service and take-away restaurant concepts.

Geographical segments

The KFC, Pizza Hut New Zealand and Starbucks Coffee segments are managed and operated in New Zealand. Pizza Hut Victoria is managed and operated in the state of Victoria, Australia.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

GOODS AND SERVICES TAX

The income statement and statement of cash flows have been prepared exclusive of Goods and Services Taxation.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of, or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

NON-TRADING ITEMS

The Group seeks to present a measure of comparable underlying performance on a consistent basis. In order to do so, the Group separately discloses items considered to be unrelated to the day to day operational performance of the Group. Such items are classified as non-trading items and are separately disclosed in the income statement and notes to the financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 29 February 2008, and have not been applied in preparing these consolidated financial statements:

- NZ IFRS 3 *(Amendment) Business Combinations* includes a number of amendments including the requirement that all costs relating to a business combination must be expensed and subsequent remeasurement of the business combination must be put through the income statement. NZ IFRS 3 is effective for accounting periods beginning 1 January 2009. NZ IFRS 3 is not expected to have any impact on the consolidated financial statements.
- NZ IFRS 8 *Operating Segments* requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet and would therefore require explanation of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the income statement and balance sheet. NZ IFRS 8 is effective for accounting periods beginning 1 January 2009. The Group has not yet determined the potential impact of the standard.
- NZ IAS 1 *(Amendment) Presentation of Financial Statements* requires a number of changes to the presentation and disclosures in financial statements. NZ IAS 1 is effective for accounting periods beginning 1 January 2009. The Group has not yet determined the potential impact of the amendment.
- IAS 23 *(Amendment) Borrowing costs* requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as a part of that asset. The option of immediately expensing those borrowing costs will be removed. IAS 23 is effective for accounting periods beginning 1 January 2009. The Group has not yet determined the potential impact of the amendment.
- NZ IFRIC 12 *Service Concession Arrangements* addresses how service concession operators should apply existing New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) to account for the obligations they undertake and rights they received in service concession arrangements. NZ IFRIC 12 is effective for accounting periods from 1 January 2008. NZ IFRIC 12 is not presently relevant to the Group's operation.
- NZ IFRIC 13 *Customer loyalty programmes* clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using their fair values. NZ IFRIC 13 is effective for accounting periods beginning 1 July 2008. NZ IFRIC 13 is not presently relevant to the Group's operation.
- NZ IFRIC 14 *NZ IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction* provides guidance on assessing the limit in NZ IAS 19 on the amount of the surplus that can be recognised as an asset. NZ IFRIC 14 is effective for accounting periods from 1 January 2008. NZ IFRIC 14 is not presently relevant to the Group's operation.

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 1 – SEGMENTAL REPORTING

	KFC		PIZZA HUT NZ		STARBUCKS COFFEE	
$NZ000's	2008	2007	2008	2007	2008	2007
BUSINESS SEGMENTS						
Store sales revenue	199,116	182,673	71,419	79,721	33,012	31,252
Other revenue	–	–	–	–	–	–
Total operating revenue	199,116	182,673	71,419	79,721	33,012	31,252
Concept EBITDA before general and administration expenses	36,602	31,216	4,676	5,060	3,852	3,645
Depreciation	(5,833)	(4,919)	(4,244)	(3,682)	(1,941)	(1,711)
Amortisation	(552)	(189)	(235)	(187)	(211)	(217)
Segment result (EBIT) before non-trading	28,293	24,171	(1,149)	(417)	676	733
Impairment on property, plant and equipment	(326)	(840)	(209)	(502)	–	–
Impairment on intangibles	–	–	(1,187)	(1,142)	–	–
Other non-trading	(507)	(1,188)	(686)	213	200	–
Segment result	27,460	22,143	(3,231)	(1,848)	876	733
Operating profit / (loss) (EBIT)						
Net financing costs						
Net profit / (loss) before taxation						
Income tax (expense) / credit						
Net profit / (loss) after taxation						
Net profit / (loss) after taxation excluding non-trading						
Segment assets	53,868	48,516	43,312	48,990	12,707	15,595
Unallocated assets						
Total assets						
Segment liabilities	11,833	13,754	3,596	6,170	1,567	1,493
Unallocated liabilities						
Total liabilities						
Capital expenditure including intangibles	12,024	22,028	2,421	5,310	616	1,715

	PIZZA HUT VICTORIA		OTHER*		CONSOLIDATED		CONTINUING	DISCONTINUED	CONTINUING	DISCONTINUED
$NZ000's	2008	2007	2008	2007	2008	2007	2008	2008	2007	2007
BUSINESS SEGMENTS										
Store sales revenue	6,275	25,068	–	–	309,822	318,714	303,547	6,275	293,646	25,068
Other revenue	–	–	447	415	447	415	447	–	415	–
Total operating revenue	6,275	25,068	447	415	310,269	319,129	303,994	6,275	294,061	25,068
Concept EBITDA before general and administration expenses	–	(2,931)	–	–	45,130	36,990	45,130	–	39,921	(2,931)
Depreciation	–	–	(398)	(443)	(12,416)	(10,755)	(12,416)	–	(10,755)	–
Amortisation	–	–	(285)	(289)	(1,283)	(882)	(1,283)	–	(882)	–
Segment result (EBIT) before non-trading	–	(3,921)	(6,680)	(7,264)	21,140	13,302	21,140	–	17,935	(4,633)
Impairment on property, plant and equipment	–	(5,862)	–	–	(535)	(7,204)	(535)	–	(1,342)	(5,862)
Impairment on intangibles	–	(702)	–	–	(1,187)	(1,844)	(1,187)	–	(1,142)	(702)
Other non-trading	(681)	(3,371)	(689)	(965)	(2,363)	(5,311)	(1,682)	(681)	(1,940)	(3,371)
Segment result	(681)	(13,856)	(7,369)	(8,229)	17,055	(1,057)	17,736	(681)	13,511	(14,568)
Operating profit / (loss) (EBIT)					17,055	(1,057)	17,736	(681)	13,511	(14,568)
Net financing costs					(4,953)	(3,409)	(4,953)	–	(3,407)	(2)
Net profit / (loss) before taxation					12,102	(4,466)	12,783	(681)	10,104	(14,570)
Income tax (expense) / credit					(3,087)	912	(3,312)	225	(3,797)	4,709
Net profit / (loss) after taxation					9,015	(3,554)	9,471	(456)	6,307	(9,861)
Net profit / (loss) after taxation excluding non-trading					11,044	6,542	11,044	–	9,645	(3,103)
Segment assets	22	437	1,298	1,770	111,207	115,308				
Unallocated assets					1,762	2,426				
Total assets					112,969	117,734				
Segment liabilities	1,287	3,530	2,241	1,628	20,524	26,575				
Unallocated liabilities					56,608	58,528				
Total liabilities					77,132	85,103				
Capital expenditure including intangibles	–	97	335	1,345	15,396	30,495				

* Other is general and administration support centre expenses

	NEW ZEALAND		AUSTRALIA		UNALLOCATED		CONSOLIDATED	
$NZ000's	2008	2007	2008	2007	2008	2007	2008	2007
GEOGRAPHICAL SEGMENTS								
Total operating revenue	303,994	294,061	6,275	25,068	–	–	310,269	319,129
Segment assets	111,185	114,871	22	437	1,762	2,426	112,969	117,734
Capital expenditure including intangibles	15,396	30,398	–	97	–	–	15,396	30,495

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 2 – DISCONTINUED OPERATIONS

Losses attributable to the discontinued operations of Pizza Hut Victoria were as follows:

	GROUP	
$NZ000's	2008	2007
RESULTS OF DISCONTINUED OPERATIONS		
Revenue	6,275	25,068
Cost of goods sold	(6,526)	(22,491)
Distribution expenses	(344)	(2,005)
Marketing expenses	(435)	(3,502)
General and administration expenses	(446)	(1,703)
Release of exit provision	1,476	–
Results from operating activities	–	(4,633)
Income tax credit	–	1,530
Results from operating activities, net of income tax	–	(3,103)
Non-trading	(681)	(3,371)
Net financing costs	–	(2)
Loss on sale of discontinued operations (impairment)	–	(6,564)
Income tax on loss on sale of discontinued operations	225	3,179
Loss from discontinued operations (net of taxation)	(456)	(9,861)
Basic cents per share	(0.47)	(10.15)
CASH FLOWS FROM DISCONTINUED OPERATIONS		
Net cash (used in) operating activities	(2,306)	(6,380)
Net cash (used in) investing activities	(311)	(1,851)
Net cash (used in) financing activities	–	(30)
Net cash (used in) discontinued operations	(2,617)	(8,261)

The loss for the period reflects the realised and unrealised net losses on store disposals including costs of disposal and fees paid to the franchisor, Yum Restaurants International (Yum).

Because the franchise agreements with Yum in this market now create obligations that are onerous in nature, these future financial obligations relating to the as yet unsold stores have been estimated and taken up in this financial year as a provision for onerous contracts under NZ IAS 37. These are in the sum of $0.5 million. (2007: $1.3 million).

As the Group is in the process of exiting the Pizza Hut Victoria business it has reclassified these assets and liabilities as held for sale and the results from trading as discontinued operations.

NOTE 3 – NON-CURRENT ASSETS HELD FOR SALE

Pizza Hut Victoria is presented as a disposal group held for sale following the commitment of the Group's management to a plan to sell the business. Sale of the disposal group is expected to be completed in the new financial year.

All other assets held by the disposal group have been impaired to nil.

	GROUP	
$NZ000's	2008	2007
ASSETS CLASSIFIED AS HELD FOR SALE		
Inventories	17	104
Trade and other receivables	5	333
	22	437
LIABILITIES CLASSIFIED AS HELD FOR SALE		
Trade and other payables	776	1,900
Provisions	511	1,630
	1,287	3,530

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NOTE 4 – ANALYSIS OF EXPENSES

The surplus before taxation is calculated after charging the following items:

	GROUP		COMPANY	
$NZ000's	2008	2007	2008	2007
Auditors' remuneration:				
▪ To PwC for statutory audit services	67	–	–	–
▪ To KPMG for statutory audit services	10	100	–	–
▪ To KPMG for other assurance services	28	25	–	–
▪ To KPMG for financial advisory services	42	37	–	–
▪ To KPMG for taxation services	26	34	–	–
Government training grants (included in general and administration expenses)	(178)	(165)	–	–
Government training grants (included in cost of sales)	–	(159)	–	–
Amortisation of intangibles (included in cost of sales)	1,283	882	–	–
Royalties paid	18,401	18,908	–	–
Operating rental expenses	19,269	21,190	–	–
Net loss on disposal of property, plant and equipment	1,855	1,408	–	–
Directors' fees	220	226	–	–
Interest expense (net)	4,848	3,256	4,924	3,697
Finance lease interest	105	153	–	–
NON-TRADING ITEMS				
Pizza Hut Victoria:				
Impairment of Pizza Hut Victoria property, plant and equipment	–	5,862	–	–
Impairment of Pizza Hut Victoria other intangibles	–	702	–	–
Other store closure costs	681	3,371	–	–
	681	9,935	–	–
New Zealand:				
Impairment of Pizza Hut NZ goodwill	1,187	1,142	–	–
Other store closure costs	573	1,335	–	–
Other store relocation and refurbishment costs	1,195	2,075	–	–
Organisation restructuring	573	–	–	–
Other revenue	(124)	(128)	–	–
	3,404	4,424	–	–

	GROUP	
$NZ000's	2008	2007
Personnel Expenses		
Wages and salaries	78,774	84,061
Organisation restructuring	573	–
Increase / (decrease) in liability for long-service leave	38	(43)
Equity-settled share-based payment transactions	7	15
	79,392	84,033

The parent company has no personnel expenses (2007: nil).

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NOTE 5 – INCOME TAX EXPENSE IN THE INCOME STATEMENT

Reconciliation of effective tax rate

		GROUP				COMPANY	
$NZ000's	Note		2008		2007	2008	2007
Total profit / (loss) for the period	1		12,102		(4,466)	903	4,072
Total income tax (expense) / credit	1		(3,087)		912	1,625	1,219
Profit / (loss) after income tax			9,015		(3,554)	2,528	5,291
Income tax using the Company's domestic tax rate		(33.0%)	(3,994)	33.0%	1,474	(298)	(1,344)
Non deductible expenses and non assessable income		3.5%	422	(10.5%)	(467)	1,923	2,563
Change in tax rate to 30%		0.5%	64		–	–	–
Change in recognition of deferred tax asset			–	(2.1%)	(95)	–	–
Prior period adjustment		3.5%	421		–	–	–
		(25.5%)	(3,087)	20.4%	912	1,625	1,219
CURRENT TAX EXPENSE							
Current tax (expense) / credit			(1,517)		1,231	1,625	1,219
Reclassified as deferred tax			–		(1,231)	–	–
			(1,517)		–	1,625	1,219
DEFERRED TAX EXPENSE							
Deferred tax (expense) / credit			(2,055)		1,007	–	–
Change in tax rate to 30%			64		–	–	–
PRIOR PERIOD ADJUSTMENTS							
Under / (over) provided in prior periods			421		(95)	–	–
Net tax (expense) / credit			(3,087)		912	1,625	1,219

		GROUP	
INCOME STATEMENT TAXATION EXPENSE			
Income tax (expense) from continuing operations		(3,312)	(3,797)
Income tax credit from discontinued operations (excluding loss on sale)	2	–	1,530
Income tax expense (excluding tax on sale of discontinued operations)		(3,312)	(2,267)
Income tax expense on loss on sale from discontinued operations	2	225	3,179
Total income tax (expense) / credit	1	(3,087)	912

	GROUP	
$NZ000's	2008	2007
IMPUTATION CREDITS		
Imputation credits at 1 March 2007	3,678	6,949
New Zealand tax payments, net of refunds	(676)	(44)
Imputation credits attached to dividends received	–	9
Imputation credits attached to dividends paid	(2,437)	(3,236)
Imputation credits at 29 February 2008	565	3,678

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NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

$NZ000's	LEASEHOLD IMPROVEMENTS	PLANT, EQUIPMENT AND FITTINGS	MOTOR VEHICLES	LEASED PLANT AND EQUIPMENT	CAPITAL WORK IN PROGRESS	TOTAL
COST						
Balance as at 1 March 2006	**66,184**	**54,332**	**1,179**	**1,715**	**6,678**	**130,088**
Additions for year ended Feb 2007	–	2,085	193	395	24,518	27,191
Transfer from work in progress for year ended Feb 2007	16,270	5,396	–	–	(21,666)	–
Disposals for year ended Feb 2007	(11,090)	(8,753)	(227)	(99)	–	(20,169)
Movement in exchange rates for year ended Feb 2007	237	159	4	1	12	413
Balance as at 28 February 2007	**71,601**	**53,219**	**1,149**	**2,012**	**9,542**	**137,523**
Additions for year ended Feb 2008	–	2,533	115	472	8,795	11,915
Transfer from work in progress for year ended Feb 2008	11,575	1,804	–	–	(13,379)	–
Disposals for year ended Feb 2008	(7,041)	(6,076)	(309)	(1,362)	–	(14,788)
Movement in exchange rates for year ended Feb 2008	87	61	4	–	–	152
Balance as at 29 February 2008	**76,222**	**51,541**	**959**	**1,122**	**4,958**	**134,802**
ACCUMULATED DEPRECIATION						
Balance as at 1 March 2006	**(18,664)**	**(31,639)**	**(664)**	**(391)**	**–**	**(51,358)**
Charge for year ended Feb 2007	(5,145)	(4,768)	(201)	(641)	–	(10,755)
Disposals for year ended Feb 2007	5,688	6,733	198	32	–	12,651
Movement in exchange rates for year ended Feb 2007	(98)	(95)	(3)	–	–	(196)
Balance as at 28 February 2007	**(18,219)**	**(29,769)**	**(670)**	**(1,000)**	**–**	**(49,658)**
Charge for year ended Feb 2008	(6,210)	(5,460)	(187)	(559)	–	(12,416)
Disposals for year ended Feb 2008	2,245	4,103	206	1,064	–	7,618
Movement in exchange rates for year ended Feb 2008	(22)	(23)	(1)	–	–	(46)
Balance as at 29 February 2008	**(22,206)**	**(31,149)**	**(652)**	**(495)**	**–**	**(54,502)**
IMPAIRMENT PROVISION						
Balance as at 1 March 2006	**(5,170)**	**(166)**	**–**	**–**	**–**	**(5,336)**
Charge for year ended Feb 2007	(3,883)	(3,166)	(136)	(19)	–	(7,204)
Utilised / disposed for the year ended Feb 2007	4,599	1,328	3	4	–	5,934
Movement in exchange rates for year ended Feb 2007	88	119	5	1	–	213
Balance as at 28 February 2007	**(4,366)**	**(1,885)**	**(128)**	**(14)**	**–**	**(6,393)**
Charge for year ended Feb 2008	(441)	(94)	–	–	–	(535)
Utilised / disposed for year ended Feb 2008	3,200	1,519	102	12	–	4,833
Movement in exchange rates for year ended Feb 2008	(62)	(36)	(3)	–	–	(101)
Balance as at 29 February 2008	**(1,669)**	**(496)**	**(29)**	**(2)**	**–**	**(2,196)**

Impairment charges incurred and utilised / disposed are recognised in non-trading in the income statement.

CARRYING AMOUNTS						
Balance as at 1 March 2006	42,350	22,527	515	1,324	6,678	73,394
Balance as at 28 February 2007	49,016	21,565	351	998	9,542	81,472
Balance as at 29 February 2008	52,347	19,896	278	625	4,958	78,104

NOTE 7 – INTANGIBLES

$NZ000's	GOODWILL	FRANCHISE FEES	CONCEPT DEVELOPMENT COSTS	SOFTWARE COSTS*	TOTAL
COST					
Balance as at 1 March 2006	39,042	4,725	2,005	1,283	47,055
Additions for year ended Feb 2007	–	2,728	132	444	3,304
Disposals for year ended Feb 2007	–	–	–	(126)	(126)
Movement in exchange rates Feb 2007	18	4	2	–	24
Balance as at 28 February 2007	39,060	7,457	2,139	1,601	50,257
Additions for year ended Feb 2008	–	3,331	–	150	3,481
Disposals for year ended Feb 2008	–	–	–	(28)	(28)
Movement in exchange rates Feb 2008	76	16	10	–	102
Balance as at 29 February 2008	39,136	10,804	2,149	1,723	53,812
ACCUMULATED AMORTISATION					
Balance as at 1 March 2006	(12,190)	(1,886)	(844)	(808)	(15,728)
Charge for the year ended Feb 2007	–	(472)	(103)	(307)	(882)
Disposals for year ended Feb 2007	–	–	–	48	48
Movement in exchange rates Feb 2007	(3)	(1)	(1)	–	(5)
Balance as at 28 February 2007	(12,193)	(2,359)	(948)	(1,067)	(16,567)
Charge for the year ended Feb 2008	–	(874)	(109)	(300)	(1,283)
Disposals for year ended Feb 2008	–	–	–	28	28
Effective movement in exchange rates	(14)	(3)	(3)	–	(20)
Balance as at 29 February 2008	(12,207)	(3,236)	(1,060)	(1,339)	(17,842)

Amortisation charge is recognised in cost of sales in the income statement.

	GOODWILL	FRANCHISE FEES	CONCEPT DEVELOPMENT COSTS	SOFTWARE COSTS*	TOTAL
IMPAIRMENT PROVISION					
Balance as at 1 March 2006	(3,032)	–	(416)	–	(3,448)
Charge for the year ended Feb 2007	(1,142)	(702)	–	–	(1,844)
Movement in exchange rates Feb 2007	(15)	38	(1)	–	22
Balance as at 28 February 2007	(4,189)	(664)	(417)	–	(5,270)
Charge for the year ended Feb 2008	(1,187)	–	–	–	(1,187)
Effective movement in exchange rates	(62)	(13)	(7)	–	(82)
Balance as at 29 February 2008	(5,438)	(677)	(424)	–	(6,539)

Impairment charges are recognised in non-trading in the income statement.

	GOODWILL	FRANCHISE FEES	CONCEPT DEVELOPMENT COSTS	SOFTWARE COSTS*	TOTAL
CARRYING AMOUNTS					
Balance as at 1 March 2006	23,820	2,839	745	475	27,879
Balance as at 28 February 2007	22,678	4,434	774	534	28,420
Balance as at 29 February 2008	21,491	6,891	665	384	29,431

The parent company has no intangible assets (2007: nil).

*Software costs have been reclassified from Fixed Assets at 1 March 2006.

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GOODWILL

In the year ended 28 February 2006, the Directors considered the carrying amount of goodwill in the company's investment in Pizza Hut Victoria. It was determined, that given the trading position of the business, the value of the goodwill as currently recorded was not substantiated. Accordingly the full amount of the carrying value of the Pizza Hut Victoria goodwill was fully impaired at February 2007.

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	GROUP	
$NZ000's	2008	2007
KFC	1,348	1,348
Pizza Hut New Zealand	20,143	21,330

The recoverable amount of each cash-generating unit was based on its value in use. There was an impairment loss identified for the Pizza Hut New Zealand segment.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

KFC

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit. Cashflows were projected based on the three year strategic business plan as approved by the board of directors. The cashflows were based on sales growth of 5–7% pa over 2009–2011. Adjustments were made for operating expenses, capital expenditure and taxation. A terminal year was calculated based on the 2011 year and assumes a continuous growth of a minimum of projected inflation estimates of 2.5%.

The discount rate, applied to future cashflows is based on an 11% weighted average cost of capital applicable to Restaurant Brands.

PIZZA HUT NEW ZEALAND

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit. Cashflows were projected based on the three year strategic business plan as approved by the board of directors. The cash flows were based on sales growth remaining flat year on year for 2008/09, a decrease of 2.9% in 2009/10 due to store closures and a 4.5% pa increase in 2010/11. Adjustments were made for operating expenses, capital expenditure and taxation. A terminal year was calculated based on the 2011 year and assumes a continuous growth of a minimum of projected inflation estimates of 2.5%.

A review in performance in Pizza Hut New Zealand in the current financial year because of significant competitor activity led to a review of future operating activities and the board of directors has decided to impair Pizza Hut New Zealand goodwill by $1.2 million.

The discount rate, applied to future cashflows is based on an 11% weighted average cost of capital applicable to Restaurant Brands.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data).

The above estimates are particularly sensitive in the following areas:

Pizza Hut New Zealand
- A one percent decrease in terminal year sales growth would increase the impairment by $4.1 million.
- A one percent increase in the discount rate would increase the impairment by $4.2 million.

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NOTE 8 – INVESTMENT IN SUBSIDIARIES

The subsidiary companies, all of which are wholly owned, have a 29 February balance date, and have been owned for the full financial year, are as follows:

Restaurant operating companies
Restaurant Brands Limited
Restaurant Brands Australia Pty Limited
(incorporated in Victoria, Australia)

Property holding company
Restaurant Brands Properties Limited

Employee share option plan trust company
Restaurant Brands Nominees Limited

Investment holding companies
RB Holdings Limited
RBP Holdings Limited
RBDNZ Holdings Limited
RBN Holdings Limited

Non trading subsidiary company
Restaurant Brands Pizza Limited

NOTE 9 – DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities are attributable to the following:

GROUP	ASSETS		LIABILITIES		NET	
$NZ000's	2008	2007	2008	2007	2008	2007
Property, plant and equipment	573	1,701	(1,070)	(880)	(497)	821
Inventory	2	42	–	–	2	42
Debtors	5	7	–	–	5	7
Provisions	2,307	3,307	–	–	2,307	3,307
Intangibles	–	192	(2,452)	(3,499)	(2,452)	(3,307)
Other	–	–	(3)	(3)	(3)	(3)
Tax losses	–	1,231	–	–	–	1,231
	2,887	6,480	(3,525)	(4,382)	(638)	2,098

The parent company has no deferred tax assets or liabilities (2007: nil).

Movement in temporary differences during the year:

$NZ000's	BALANCE 1 MARCH 2006	RECOGNISED IN INCOME STATEMENT	RECOGNISED IN EQUITY	BALANCE 28 FEBRUARY 2007	RECOGNISED IN INCOME STATEMENT	RECOGNISED IN EQUITY	BALANCE 29 FEBRUARY 2008
Property, plant and equipment	1,260	(289)	(150)	821	(1,370)	52	(497)
Inventory	33	10	(1)	42	(40)	–	2
Debtors	5	2	–	7	(2)	–	5
Provisions	3,528	(94)	(127)	3,307	(1,056)	56	2,307
Intangibles	(3,443)	147	(11)	(3,307)	854	1	(2,452)
Other	(3)	–	–	(3)	–	–	(3)
Tax losses	–	1,231	–	1,231	(1,231)	–	–
	1,380	1,007	(289)	2,098	(2,845)	109	(638)

NOTE 10 – INVENTORIES

	GROUP	
$NZ000's	2008	2007
Raw materials and consumables	2,075	2,022

All inventories are valued at cost.

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 11 – TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
$NZ000's	2008	2007	2008	2007
Prepayments	1,219	575	–	–
Other debtors	293	316	–	–
	1,512	891	–	–

Included in other debtors are foreign currency debtors of nil (2007: nil).

The Group's exposure to credit risk is minimal as the Group's primary source of revenue is from sales made on a cash basis.

NOTE 12 – CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

GROUP $NZ000's	SHARE CAPITAL	SHARE OPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	HEDGING RESERVE	RETAINED EARNINGS	TOTAL
Balance as at 1 March 2006	(25,576)	(70)	(111)	(8)	(18,145)	(43,910)
Total recognised income and expense	–	–	9	–	3,554	3,563
Transfer to income statement	–	–	–	8	–	8
Share based payments	–	(15)	–	–	–	(15)
Net dividends distributed	–	–	–	–	7,769	7,769
Options exercised	(46)	–	–	–	–	(46)
Balance as at 28 February 2007	(25,622)	(85)	(102)	–	(6,822)	(32,631)
Balance as at 1 March 2007	(25,622)	(85)	(102)	–	(6,822)	(32,631)
Total recognised income and expense	–	–	(11)	–	(9,015)	(9,026)
Share based payments	–	(7)	–	–	–	(7)
Net dividends distributed	–	–	–	–	5,827	5,827
Balance as at 29 February 2008	(25,622)	(92)	(113)	–	(10,010)	(35,837)

COMPANY $NZ000's	SHARE CAPITAL	SHARE OPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	HEDGING RESERVE	RETAINED EARNINGS	TOTAL
Balance as at 1 March 2006	(25,576)	(70)	–	–	18,999	(6,647)
Total recognised income and expense	–	–	–	–	(5,291)	(5,291)
Share based payments	–	(15)	–	–	–	(15)
Net dividends distributed	–	–	–	–	7,769	7,769
Options exercised	(46)	–	–	–	–	(46)
Balance as at 28 February 2007	(25,622)	(85)	–	–	21,477	(4,230)
Balance as at 1 March 2007	(25,622)	(85)	–	–	21,477	(4,230)
Total recognised income and expense	–	–	–	–	(2,528)	(2,528)
Share based payments	–	(7)	–	–	–	(7)
Net dividends distributed	–	–	–	–	5,827	5,827
Balance as at 29 February 2008	(25,622)	(92)	–	–	24,776	(938)

Share option reserve
The share option reserve comprises the net change in options exercised during the period and the cumulative net change of share based payments incurred.

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign currency differences arising from transactions of the financial statements of the foreign currency operation.

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedging transactions.

NOTE 13 – DIVIDEND DISTRIBUTIONS

	GROUP		COMPANY	
$NZ000's	2008	2007	2008	2007
Interim dividend of 3.0 cents per share paid (2007:2.5 cents per share)	2,913	2,429	2,913	2,429
Final dividend of 3.0 cents per share paid for the year ended 28 February 2007 (2007:5.5 cents per share)	2,914	5,340	2,914	5,340
	5,827	7,769	5,827	7,769

NOTE 14 – EQUITY

The issued capital of the Company is 97,128,956 (2007: 97,128,956) ordinary fully paid up shares. All issued shares carry equal rights in respect of voting and the receipt of dividends, and upon winding up rank equally with regard to the Company's residual assets.

	GROUP AND COMPANY		GROUP AND COMPANY	
SHARES	NUMBER 2008	$NZ000's 2008	NUMBER 2007	$NZ000's 2007
Balance at beginning of year ordinary shares	97,128,956	25,622	97,081,875	25,576
Movements in reported capital:				
Ordinary shares	–	–	47,081	46
Balance at end of year	97,128,956	25,622	97,128,956	25,622

NOTE 15 – EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 29 February 2008 was based on the profit from continuing operations attributable to ordinary shareholders of $9.5 million and the actual number of ordinary shares outstanding during the year of 97,128,956 shares calculated as follows:

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR THE PERIOD

'000s OF SHARES	2008	2007
Issued ordinary shares at February 2006	–	97,082
Effect of shares issued in March 2006	–	6
Effect of shares issued in May 2006	–	14
Effect of shares issued in June 2006	–	1
Effect of shares issued in July 2006	–	10
Weighted average number of ordinary shares	97,129	97,113

There were no shares issued during the year.

	GROUP 2008		GROUP 2007	
	EARNINGS PER SHARE CENTS	$NZ000's	EARNINGS PER SHARE CENTS	$NZ000's
BASIC				
Profit attributable to ordinary shareholders continuing operations	9.75	9,471	6.49	6,307
(Loss) attributable to ordinary shareholders discontinued operations	(0.47)	(456)	(10.15)	(9,861)
Profit / (loss) attributable to ordinary shareholders total operations	9.28	9,015	(3.66)	(3,554)
DILUTED				
Profit attributable to ordinary shareholders continuing operations	9.75	9,471	6.49	6,307
(Loss) attributable to ordinary shareholders discontinued operations	(0.47)	(456)	(10.15)	(9,861)
Profit / (loss) attributable to ordinary shareholders total operations	9.28	9,015	(3.66)	(3,554)

NOTE 16 – LOANS AND FINANCE LEASES

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. All existing bank loans, loans and finance leases are denominated in New Zealand dollars (2007 all denominated in New Zealand dollars). For more information about the Company's exposure to interest rate and foreign currency risk see Note 19.

	GROUP		COMPANY	
$NZ000's	2008	2007	2008	2007
Non-current liabilities				
Finance leases	373	591	–	–
Secured bank loans	42,498	48,580	42,498	48,580
	42,871	49,171	42,498	48,580
Current liabilities				
Finance leases	429	605	–	–
Other loans	84	190	–	–
	513	795	–	–

Secured bank loans were renewed in 2007. Renewals are for three years.

Secured bank loans of $42.5 million, are unhedged for interest rate rises (2007: $48.6 million). The loans are floating at an interest rate of 9.22% (2007:7.58%) at balance date. The bank loans are structured as a revolving wholesale advance facility with portions of the facility renewing on a regular basis.

As security over the loans and bank overdraft, the banks hold a negative pledge deed between Restaurant Brands New Zealand Limited and all its subsidiary companies. The negative pledge deed includes all obligations and cross guarantees between the guaranteeing subsidiaries.

The other loan is at a fixed interest rate of 7.17% (2007: 11.0%) and is repayable within a year.

NOTE 17 – CURRENT CREDITORS AND ACCRUALS

	GROUP		COMPANY	
$NZ000's	2008	2007	2008	2007
Trade creditors	11,314	8,732	–	–
Other creditors and accruals	5,114	8,418	533	312
Employee entitlements	5,590	5,531	–	–
Indirect and other taxes	2,703	1,869	–	–
	24,721	24,550	533	312

Included in trade creditors are foreign currency creditors of $245,000 ($AU27,000; $US174,000), (2007: $NZ218,000; $AU7,000; $US149,000) which are not hedged. The trade creditors included in liabilities held for sale as per Note 3 are $NZ546,000 ($AU479,000) and are not hedged (2007: $NZ1,253,000 ($AU1,121,000)).

NOTE 18 – PROVISIONS AND DEFERRED INCOME

	SURPLUS LEASE SPACE	STORE CLOSURE COSTS	EMPLOYEE ENTITLEMENTS	DEFERRED INCOME	TOTAL
GROUP $NZ000's					
Balance at 1 March 2007	349	251	432	6,025	7,057
Provisions created during the period	317	535	194	1,812	2,858
Provisions used during the period	(505)	(608)	(80)	(1,357)	(2,550)
Provisions released during the period	(103)	(84)	(76)	–	(263)
Balance at 29 February 2008	58	94	470	6,480	7,102
2008					
Non-current	28	–	470	5,095	5,593
Current	30	94	–	1,385	1,509
	58	94	470	6,480	7,102
2007					
Non-current	–	–	432	4,757	5,189
Current	349	251	–	1,268	1,868
	349	251	432	6,025	7,057

The provision for surplus lease space reflects lease commitments that the Group has on properties leased that are surplus to its current operating requirements. The Group is currently seeking tenants to sub-lease the excess space that it has. The provision has been used in the period to off-set payments made to lessors.

The provision for store closure costs reflects the estimated costs of make good and disposal of fixed assets for stores committed for closure.

The provision for deferred income relates to non routine revenue from suppliers and landlords and is recognised in the income statement on a systematic basis over the life of the associated contract.

The provision for employee entitlements is long service leave. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken.

NOTE 19 – FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and foreign currency risks arises in the normal course of the Group's business. Derivative financial instruments may be used to hedge exposure to fluctuations in foreign currency exchange rates and interest rates.

A. Foreign currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the New Zealand dollar. The currencies giving rise to this risk are primarily US dollars and Australian dollars.

The direct exposure to foreign currency risk is small and is primarily confined to raw material purchases, some items of capital equipment and some franchise fee payments. Where any one item is significant, the company will specifically hedge its exposure.

The Group has an indirect exposure to foreign currency risk on some of its locally sourced ingredients, where those ingredients in turn have a high imported component. Where this is significant the Group contracts to a known purchase price with its domestic supplier based on a forward cover position taken by that supplier on its imported components.

The Group has a residual foreign currency risk on its assets and liabilities that are denominated in Australian dollars as part of its remaining Australian investment.

B. Interest rate risk

The Group's main interest rate risk arises from long term bank loans. The Group analyses its interest rate exposure on a dynamic basis. Based on a number of scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. Based on the simulations the maximum loss potential is assessed by management as to whether it is within acceptable limits.

Where necessary the Group hedges its exposure to changes in interest rates primarily through the use of interest rate swaps. There are no minimum prescribed guidelines as to the level of hedging.

The Group classifies interest rate swaps as cash flow hedges and states them at fair value. The fair value of swaps are adjusted against the opening balance of the hedging reserve at that date.

No interest hedge exists at 29 February 2008 (2007: nil).

C. Liquidity Risk

In respect of the Group's income earning financial assets and interest bearing financial liabilities, the following table indicates their effective interest rate at balance date and the periods in which they reprice.

	EFFECTIVE INTEREST RATE	TOTAL	12 MONTHS OR LESS	12 MONTHS OR MORE
$NZ000's				
GROUP 2008				
Cash	–	340	340	–
Bank balance	4.81%	721	721	–
Other loans	7.17%*	(84)	(84)	–
Bank term loans – principal	8.62%	(42,498)	–	(42,498)
Bank term loans – expected interest	8.62%	(4,274)	(3,663)	(611)
Finance leases	11.0%	(802)	(429)	(373)
		(46,597)	(3,115)	(43,482)
GROUP 2007				
Cash	–	358	358	–
Bank balance	1.08%	742	742	–
Other loans	11.0%*	(190)	(190)	–
Bank term loans – principal	7.58%	(48,580)	–	(48,580)
Bank term loans – expected interest	7.58%	(7,978)	(3,682)	(4,296)
Finance leases	11.0%	(1,196)	(605)	(591)
		(56,844)	(3,377)	(53,467)

*Other loans are a fixed interest rate.

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 19 – FINANCIAL INSTRUMENTS CONTINUED

Prudent liquidity risk management implies the availability of funding through adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group has bank funding facilities, excluding overdraft facilities, of $70 million (2007: $70 million) available at variable rates. The amount undrawn at balance date was $27.5million (2007: $21.4 million).

The bank term loans are at floating interest rates and the other loan is at a fixed interest rate and is repayable within a year. The bank term loans are not due for payment within 12 months, however they are structured as a revolving wholesale advance facility with portions of the facility renewing on a regular basis. This leads to the loans being sensitive to interest rate movement in 12 months or less.

The company position for both 2008 and 2007 reflects the group position in the case of the bank term loans and the overdraft.

D. Credit risk

Credit risk arises from cash deposits with banks and financial institutions and outstanding receivables.

No collateral is required in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The nature of the business results in most sales being conducted on a cash basis that significantly reduces the risk that the Group is exposed to. Reputable financial institutions are used for investing and cash handling purposes.

At balance date there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.

E. Fair values

The carrying values of bank loans and finance leases are the fair value of these liabilities. A Group set-off arrangement is in place between certain bank accounts operated by the Group.

SENSITIVITY ANALYSIS

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates on a weighted average balance will have an impact on profit.

At 29 February 2008 it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before income tax and equity by approximately $0.4 million (2007: $0.4 million). A one percentage point decrease in interest rates would increase the Group's profit before income tax and equity by approximately $0.4 million (2007: $0.4 million).

A general increase of one percentage point in the value of the New Zealand dollar against other foreign currencies would have minimal impact on the cost of the Group's directly imported ingredients denominated in foreign currencies.

CAPITAL RISK MANAGEMENT

The Group's capital comprises share capital, reserves and retained earnings.

The Group's objectives when managing capital are to safeguard the Group's ability to continue to operate as a going concern and to maintain an optimal capital structure commensurate with risk and return and reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt or draw down more debt.

The Group is subject to a number of externally imposed bank covenants as part of the terms of its secured back loan facilities.

The most significant covenants relating directly to capital management are the total debt to earnings before interest, tax and depreciation (EBITDA) ratios and restrictions on issuing dividends and acquiring its own shares.

The covenants are monitored and reported to its banks on a quarterly basis. In addition, the Group monitors these requirements and they are reviewed by the Board on a regular basis.

There have been no breaches of the covenants during the period.

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 20 – COMMITMENTS

A. Capital commitments

The Group has capital commitments which are not provided for in these financial statements, as follows:

	GROUP	
$NZ000's	2008	2007
Store development	2,621	650
KFC franchise fee renewal	–	2,588

The Group has signed an agreement with Yum Restaurants International which provides for a committed investment by the Group of $35 million into the KFC store transformation project over a three year period ended 31 August 2008. $31.3 million of this amount has already been expended.

B. Operating lease commitments

Non cancellable operating lease rentals are payable as follows:

	GROUP	
$NZ000's	2008	2007
Not later than one year	17,478	17,684
Later than one year but not later than two years	15,420	15,831
Later than two years but not later than five years	33,552	33,578
Later than five years	18,656	19,152
	85,106	86,245

C. Renewal rights of operating leases

The Group has entered into a number of operating lease agreements for retail premises. The lease periods vary and many have an option to renew. Lease payments are increased as per the lease contracts to reflect market rentals. The table below summarises the Group's lease portfolio.

NUMBER OF LEASES WITH:	RIGHTS OF RENEWAL		NO RIGHT OF RENEWAL	
	2008	2007	2008	2007
Leases expiring in:				
Not later than one year	14	34	19	10
Later than one year but not later than two years	15	23	18	5
Later than two years but not later than five years	71	63	16	36
Later than five years	80	76	9	26

D. Finance lease commitments

The carrying amount of finance leases for the Group as at 29 February 2008 is $0.8 million (2007: $1.0 million).

Non-cancellable finance lease rentals are payable as follows:

	GROUP	
$NZ000's	2008	2007
Not later than one year	538	659
Later than one year but not later than two years	217	556
Later than two years but not later than five years	137	226
	892	1,441
Future lease finance charges	(90)	(245)
Net finance lease liability	802	1,196
Current	429	605
Non-current	373	591

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 21 – NET CASH FLOW FROM OPERATING ACTIVITIES

The following is a reconciliation between the surplus after taxation for the year shown in the income statement and the net cash flow from operating activities.

	GROUP		COMPANY	
$NZ000's	2008	2007	2008	2007
Profit / (loss) after taxation	9,015	(3,554)	2,528	5,291
Add items classified as investing / financing activities:				
Loss on disposal of fixed assets	1,855	1,408	–	–
Other non-operating costs of exiting Pizza Hut Victoria	311	1,851	–	–
	2,166	3,259	–	–
Add / (less) non-cash items:				
Depreciation	12,416	10,755	–	–
Increase in provision for exit costs	415	1,362	–	–
(Decrease) in provisions	(560)	(432)	–	–
Amortisation of intangible assets	1,283	882	–	–
Impairment of Pizza Hut Victoria intangibles and property, plant and equipment	–	6,564	–	–
Impairment of NZ property, plant and equipment	535	1,342	–	–
Impairment of Pizza Hut New Zealand goodwill	1,187	1,142	–	–
Decrease / (increase) in deferred tax asset	2,736	(718)	–	–
Share based payments	7	15	–	–
	18,019	20,912	–	–
Add / (less) movement in working capital:				
Decrease in inventories	34	127	–	–
(Increase) / decrease in trade debtors and other receivables	(293)	435	–	–
Increase / (decrease) in trade creditors and other payables	1,420	(323)	221	107
Decrease / (increase) in income tax receivable	961	(8)	–	–
Decrease in income tax	–	–	438	589
	2,122	231	659	696
Net cash from operating activities	31,322	20,848	3,187	5,987

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 22 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	GROUP		COMPANY	
$NZ000's	2008	2007	2008	2007
Financial Assets				
Trade and other receivables	1,512	891	–	–
Cash	1,061	1,100	–	–
	2,573	1,991	–	–
Financial Liabilities				
Loans and finance leases – non current	42,871	49,171	42,498	48,580
Loans and finance leases – current	513	795	–	–
Bank overdraft	–	–	267	981
Creditors and accruals	24,721	24,550	533	312
	68,105	74,516	43,298	49,873

NOTE 23 – CONTINGENT LIABILITIES

There are no contingent liabilities that the directors consider will have a significant impact on the financial position of the Company and Group.

NOTE 24 – RELATED PARTY DISCLOSURES

PARENT AND ULTIMATE CONTROLLING PARTY

The immediate parent and controlling party of the Group is Restaurant Brands New Zealand Limited.

IDENTITY OF RELATED PARTIES WITH WHOM MATERIAL TRANSACTIONS HAVE OCCURRED

Note 8 identifies all entities within the Group. All of these entities are related parties of the Company.

In addition, the directors and key management personnel of the Group are also related parties.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel compensation comprised short term benefits for the year ended 29 February 2008 of $2.3 million (2007: $2.3 million). Directors fees were $0.2 million (2007: $0.2 million).

During the year the Group made stock purchases of $0.1 million from Charlie's Group Limited (2007: nil), a company of which Restaurant Brands director, Ted van Arkel is chairman. There was nil owing as at 29 February 2008 (2007: nil).

There were no purchases during the year from Premier Stainless Pty Limited, a company of which Restaurant Brands director, Danny Diab was a director and a shareholder (2007: $0.1 million). There was nil owing as at 29 February 2008 (2007: nil).

Material transactions within the Group are loans and advances to and from Group companies and dividend payments. All inter company group loans in the parent company are non interest bearing, repayable on demand and disclosed as a current liability.

Where the Company enters into financial guarantee contracts to guarantee the performance or indebtedness of other companies within the group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contracts as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

FOR THE YEAR ENDED 29 FEBRUARY 2008

NOTE 25 – SENIOR EXECUTIVE SHARE OPTION PLAN

On completion of the listing of the Company in 1997, senior executives were granted 852,271 non-transferable options to subscribe for shares in the Company.

No options have been exercised since granted, 653,408 were forfeited on termination of individual's employment and the balance expired on 1 July 2007.

NOTE 26 – EMPLOYEE SHARE GROWTH SHARE OPTION PLAN

The Company had established an employee share option plan ('the Plan') for certain employees, under which it issued options at no cost for shares in the Company to the employees. The holder of an option is entitled to subscribe for one fully paid share for each option held (adjusted for bonus share issues), at an exercise price that is determined by reference to the market price at the time of issue of the options.

On the anniversary date of issue in each subsequent year 20% of the options issued become exercisable. Options only remain exercisable (subject to certain conditions and legislative provisions) whilst holders remain employed by the company. The options terminate 10 years from the date they are issued and are equity settled. Principal Officers and employees of the Company that participated in the Plan received an annual issue of options in respect of the number of shares equal to approximately 10% of their eligible earnings divided by the exercise price per share.

Options issued and outstanding under the Plan:

DATE OF ISSUE	EXERCISE PRICE	ISSUED	EXERCISED TO 28 FEB 2007	EXERCISED IN YEAR	FORFEITED OPTIONS	OUTSTANDING OPTIONS AT 29 FEB 2008
5 Jun 97	$2.20	546,213	–	–	(546,213)	–
31 Aug 98	$0.94	1,318,062	(494,228)	–	(656,643)	167,191
15 Sep 99	$1.32	1,078,467	(203,228)	–	(635,642)	239,597
11 Sep 00	$1.05	1,494,368	(433,283)	–	(784,911)	276,174
12 Sep 01	$1.50	1,010,122	(76,018)	–	(605,737)	328,367
13 Sep 02	$1.85	905,128	–	–	(584,999)	320,129
23 Sep 03	$1.39	1,228,423	(34,486)	–	(670,564)	523,373
Total		7,580,783	(1,241,243)	–	(4,484,709)	1,854,831

In April 2003 the employee share growth plan was terminated and the final allocation of options was the September 2003 allocation. All existing rights with respect to options which have been granted will be maintained.

Percentage of total shares on issue 1.9% (2007: 2.3%).

In March 2000 there was a 1:12 taxable bonus share issue. Therefore options issued prior to and exercised after this date will have a corresponding adjustment to the number of shares issued.

NOTE 27 – SUBSEQUENT EVENT

Subsequent to balance date, the directors have declared 3.5 cents per share final dividend for the year ended 29 February 2008.

PRICEWATERHOUSECOOPERS

FOR THE YEAR ENDED 29 FEBRUARY 2008

TO THE SHAREHOLDERS OF RESTAURANT BRANDS NEW ZEALAND LIMITED

We have audited the financial statements on pages 30 to 60. The financial statements provide information about the past financial performance and cash flows of the Company and Group for the year ended 29 February 2008 and their financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 33 to 41.

DIRECTORS' RESPONSIBILITIES

The Company's Directors are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Company and Group as at 29 February 2008 and their financial performance and cash flows for the year ended on that date.

AUDITORS' RESPONSIBILITIES

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

a. the significant estimates and judgements made by the Directors in the preparation of the financial statements; and

b. whether the accounting policies are appropriate to the circumstances of the Company and Group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditors.

UNQUALIFIED OPINION

We have obtained all the information and explanations we have required.

In our opinion:

a. proper accounting records have been kept by the Company as far as appears from our examination of those records; and

b. the financial statements on pages 30 to 60:

   i) comply with generally accepted accounting practices in New Zealand;

   ii) comply with International Financial Reporting Standards, and

   iii) give a true and fair view of the financial position of the Company and Group as at 29 February 2008 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 9 April 2008 and our unqualified opinion is expressed as at that date.

PricewaterhouseCoopers

CHARTERED ACCOUNTANTS
Auckland

THE FACT THAT THE GROUP OVERALL PERFORMED BETTER THAN ANTICIPATED IN 2007/08 IS CONFIRMATION THAT OUR SALES EFFORTS, EFFICIENCY PROGRAMMES AND EMPLOYEE PRODUCTIVITY GAINS

ARE MAKING A REAL DIFFERENCE.

– RUSSEL CREEDY, CEO

AS AT 14 APRIL 2008

1. STOCK EXCHANGE LISTING

The Company's ordinary shares are listed on the New Zealand Stock Exchange.

2. DISTRIBUTION OF SECURITY HOLDERS AND SECURITY HOLDINGS

SIZE OF HOLDING	NUMBER OF SECURITY HOLDERS		NUMBER OF SECURITIES	
1 to 999	1,163	18.78%	632,464	0.65%
1,000 to 4,999	3,277	52.91%	6,142,016	6.32%
5,000 to 9,999	798	12.89%	5,118,170	5.27%
10,000 to 49,999	830	13.40%	14,979,923	15.42%
50,000 to 99,999	67	1.08%	4,039,377	4.16%
100,000 to 499,999	48	0.78%	7,868,588	8.10%
500,000+	10	0.16%	58,348,418	60.08%
	6,193	100.00%	97,128,956	100.00%

GEOGRAPHIC DISTRIBUTION				
New Zealand	5,978	96.53%	90,099,673	92.77%
Australia	116	1.87%	6,365,098	6.55%
Rest of world	99	1.60%	664,185	0.68%
	6,193	100.00%	97,128,956	100.00%

3. 20 LARGEST REGISTERED HOLDERS OF QUOTED EQUITY SECURITIES

NAME OF HOLDER	NUMBER OF ORDINARY SHARES	% OF ORDINARY SHARES
New Zealand Central Securities Depository Limited (NZCSD)	38,235,157	39.37%
AMP Custodial Investments No 1 Limited	9,296,896	9.57%
Diab Investments NZ Limited	4,000,000	4.12%
ASB Nominees Limited	2,000,000	2.06%
Green Frog Nominees Pty Limited	1,230,593	1.27%
Moon Chul Choi & Keum Sook Choi	900,000	0.93%
NZPT Custodians (Grosvenor) Limited	888,043	0.91%
FNZ Custodians Limited	819,106	0.84%
Leveraged Equities Finance Limited	576,889	0.59%
Forsyth Barr Custodians Limited	567,572	0.58%
Chun-Hsia Lu	448,500	0.46%
Wang Li Chih Han	350,978	0.36%
Yeong Hoe Koo & Yong Ran Koo	335,000	0.34%
Michael Walter Daniel & Nigel Geoffrey Ledgard Burton & Michael Murray Benjamin	300,000	0.31%
Rocati Pty Limited	300,000	0.31%
Kevin Koo	275,000	0.28%
ASB Nominees Limited	255,485	0.26%
JA Hong Koo & Pyung Keum Koo	219,000	0.23%
Hye-Geum Yang	211,000	0.22%
Timothy James Schwaiger	200,000	0.21%
	61,409,219	63.22%

AS AT 14 APRIL 2008

3. 20 LARGEST REGISTERED HOLDERS OF QUOTED EQUITY SECURITIES CONTINUED

New Zealand Central Securities Depository Limited (NZCSD) is a depository system which allows electronic trading of securities to its members. As at 14 April 2008, the NZCSD holdings in Restaurant Brands were:

	NUMBER OF ORDINARY SHARES	% OF ORDINARY SHARES
HSBC Nominees (New Zealand) Limited	23,314,657	24.01%
ANZ Nominees Limited	5,264,080	5.42%
Citibank Nominees (New Zealand) Limited	4,890,138	5.04%
Custody and Investment Nominees Limited	3,907,486	4.02%
National Nominees New Zealand Limited	474,848	0.49%
Public Trust O/A Permanent Nominees Limited Tower NZ Equity Trust	322,296	0.33%
Guardian Trust Investment Nominees (RWT) Limited	59,650	0.06%
NZ Guardian Trust Investment Nominees Limited	2,000	0.00%
HSBC Nominees (New Zealand) Limited	2	0.00%
	38,235,157	39.37%

4. SUBSTANTIAL SECURITY HOLDERS

The following persons have given substantial security holder notices according to the file maintained by the Company under section 25 of the Securities Markets Act 1988.

	NUMBER OF SHARES	% OF VOTING SECURITIES
AMP Henderson Global Investors (New Zealand) Limited	9,296,896	9.57%

5. SHARES ON ISSUE

As at 14 April 2008, the total number of ordinary shares on issue was 97,128,956.

6. DIRECTORS SECURITY HOLDINGS

	EQUITY SECURITIES HELD 2008	2007
E K van Arkel	50,000	50,000
D Diab	4,000,000	3,444,300
*V J Salmon	–	86,000

*V J Salmon resigned as Chief Executive Officer and Director of the Company on 14 March 2007.

7. STOCK EXCHANGE WAIVER

No waivers were sought or relied on from NZX during the year.

FOR THE YEAR ENDED 29 FEBRUARY 2008

1. DIRECTORSHIPS

The names of the directors of the Company as at 29 February 2008 are set out in the Corporate Directory on page 72 of this annual report.

The following are directors of all subsidiary companies of the group: E K van Arkel and D A Pilkington.

The following are directors of Restaurant Brands Australia Pty Ltd: E K van Arkel, D A Pilkington, C J Stewart and G R Ellis.

2. DIRECTORS AND REMUNERATION

The following persons held office as directors during the year to 29 February 2008 and received the following remuneration and other benefits:

(IN $NZ)	DIRECTORS FEES	OTHER REMUNERATION
EK van Arkel	60,000	
S Beck	40,000	
D Diab	40,000	
D Pilkington	40,000	
S Suckling	40,000	
*V J Salmon		609,776
	220,000	609,776

*V J Salmon resigned as Chief Executive Officer and Director of the Company on 14 March 2007.

3. ENTRIES RECORDED IN THE INTERESTS REGISTER

The following entries were recorded in the interest register of the Company and its subsidiaries during the year:

A. Share Dealings of Directors
Danny Diab purchased 555,700 ordinary shares in the Company during the financial year ended 29 February 2008.

B. Loans to Directors
There were no loans to directors during the financial year ended 29 February 2008.

C. General Disclosure of Interest
In accordance with Section 140 (2) of the Companies Act 1993, directors of the Company have made general disclosures of interest in writing to the board of positions held in other named companies or parties as follows on the next page.

FOR THE YEAR ENDED 29 FEBRUARY 2008

3. ENTRIES RECORDED IN THE INTERESTS REGISTER CONTINUED

NAME	POSITION	PARTY
E K van Arkel	Chairman	Charlie's Group Limited (and subsidiaries)
	Chairman	Unitec New Zealand Limited (and subsidiaries)
	Director	Lang Properties Limited
	Director	Van Arkel & Co Limited
	Director	Allied Work Force Group Limited
	Director	Danske Mobler Limited
	Director	The National Property Trust Limited (and subsidiaries)
	Director	Paper Plus New Zealand Limited
	Director	Superpoints New Zealand Limited (and subsidiaries)
	Director	Auckland Regional Chamber of Commerce and Industry
	Director	Lockwood Group Limited
S Suckling	Chairperson	New Zealand Qualifications Authority
	Chairperson	Barker Fruit Processors Limited (and subsidiaries)
	Chairperson	HSR Governance Limited
	Chairperson	National Institute of Water and Atmospheric Research Limited (and subsidiaries)
	Director	TYTM Development Limited
	Director	Acemark Holdings Limited
	Director	Air Scientifics NZ Limited
	Member	Risk & Audit Committee NZ Food Safety Authority
	Member	Takeovers Panel
S R Beck	Director	Wellington Drive Technologies Limited (and subsidiaries)
	Director	Pencarrow Funds Management Limited (and subsidiaries)
	Director	Eastern Equities Corporation (and subsidiaries)
	Director	Pacific Horizon Limited (and subsidiaries)
	Director	Kiwi Kat Limited
D A Pilkington	Chairman	Ruapehu Alpine Lifts Limited
	Chairman	Prevar Limited
	Chairman	Old Fashioned Foods Limited
	Director	Ballance AgriNutrients Limited (and subsidiaries)
	Director	Zespri Group Limited (and subsidiaries)
	Director	Douglas Pharmaceuticlas Limited
	Director and Shareholder	NZ Biotechnologies Limited
	Director	Ports of Tauranga
	Director	Rangatira Limited (and subsidiaries)
	Director	Excelsa Associates Limited
	Member	Wellington City Council Audit and Risk Management Sub-Committee
	Trustee	New Zealand Community Trust
D Diab	Director	Diab Investments NZ Limited
	Director	Diab Pty Limited
	Director	Diab Investments Pty Limited
	Director	Mainplay Investments Pty Limited
	Director	Diab Investments II Pty Limited
	Director	Pizza Hut Adco Pty Limited
	Director	Mirrapol Holding Pty Limited
	President	National Pizza Association

FOR THE YEAR ENDED 29 FEBRUARY 2008

D. Specific Disclosures

D A Pilkington has disclosed that he has a circuitous family link to Red Rooster Chicken through his wife's family but that he has no involvement of any sort with the Red Rooster business.

E. Directors' Indemnity and Insurance

The Company has insured all its directors and the directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their position as directors. The insurance does not cover liabilities arising from criminal actions.

The Company has executed a Deed of Indemnity, indemnifying all directors to the extent permitted by section 162 of the Companies Act 1993.

4. EMPLOYEES' REMUNERATION

During the year the following number of employees or former employees received remuneration of at least $100,000:

	NUMBER OF EMPLOYEES	
	2008	2007
$100,000–$109,999	10	9
$110,000–$119,999	3	5
$120,000–$129,999	2	4
$130,000–$139,999	1	2
$150,000–$159,999	2	1
$160,000–$169,999	1	2
$210,000–$219,999	–	2
$250,000–$259,999	1	–
$260,000–$269,999	–	1
$280,000–$289,999	1	–
$290,000–$299,999	–	1
$400,000–$409,999	–	1
$450,000–$459,999	–	1
$460,000–$469,999	1	–
$600,000–$610,000	1	–

5. SUBSIDIARY COMPANY DIRECTORS

No employee of Restaurant Brands New Zealand Limited appointed as a director of Restaurant Brands New Zealand Limited or its subsidiaries receives, or retains any remuneration or other benefits, as a director. The remuneration and other benefits of such employee, received as employees, are included in the relevant bandings for remuneration disclosed under Note 4 above.

STATEMENT OF CORPORATE GOVERNANCE

OVERVIEW

The board of Restaurant Brands New Zealand Limited is committed to the guiding values of the Company: integrity, respect, continuous improvement and service. Whilst not formally constituted into a code of ethics, it expects that management and staff ultimately subscribe to these values and use them as a guide to making decisions. These values are reflected in a series of formal policies covering such matters as:

- conflicts of interest
- use of company property
- use of company information
- compliance with applicable laws

RESPONSIBILITY

The board is responsible for the proper direction and control of the Company's activities, including setting strategic direction, approval of significant expenditures, policy determination, stewardship of the Company's assets, identification of significant business risks, legal compliance and monitoring management performance.

DELEGATION

The board has delegated responsibility for the day-to-day leadership and management of the Company to the chief executive officer (CEO) who is required to do so in accordance with board direction. The CEO's performance is reviewed each year by the board. The review includes a formal performance appraisal against measured objectives together with a qualitative review, including a 360 feedback process.

The board has approved a schedule of delegated authorities affecting all aspects of the Company's operation. This is reviewed from time to time as to appropriateness and levels of delegation.

COMPOSITION AND FOCUS

As at 29 February 2008 the board comprised five non-executive directors (including the Chairman). In addition to committee responsibilities (below) individual board members work directly with management in major initiatives such as acquisitions and asset rationalisations.

Ted van Arkel, David Pilkington and Sue Suckling are considered by the board to be independent under the NZSX Listing Rules. Shawn Beck and Danny Diab are considered not to be independent as they represent significant shareholdings. The board does not have a policy on a minimum number of independent directors.

COMMITTEES

From amongst its own members, the board has appointed the following permanent committees:

- Audit Committee.
  The members of the audit committee are David Pilkington (Chairman), Ted van Arkel and Sue Suckling. The audit committee is constituted to monitor the veracity of the financial data produced by the Company and ensure controls are in place to minimise the opportunities for fraud or material error in the accounts.

  The audit committee meets at least three times a year, with external auditors of the Company and executives performing internal audit management from within the Company. The external auditors also meet with the committee with no company executive present.

  The committee has adopted an audit charter setting out the parameters of its relationship with internal and external audit functions. The charter requires five yearly reviews of the external audit relationship and audit partner rotation.

- Appointments and Remuneration Committee.
  The members of the appointments and remuneration committee are Shawn Beck, Ted van Arkel, Danny Diab and Sue Suckling. This committee is constituted to approve appointments and terms of remuneration for senior executives of the Company; principally the CEO and those reporting directly to the CEO. It also reviews any company-wide incentive and share option schemes as required. The appointments and remuneration committee has adopted a written charter.

The board does not have a formal nominations committee as all non-executive directors are involved in the appointment of new directors.

Other sub-committees may be constituted and meet for specific ad hoc purposes as required.

BOARD APPRAISAL AND TRAINING

The board has adopted a performance appraisal programme by which it annually monitors and assesses individual and board performance.

The Company does not impose any specific training requirements on its directors. The board believes all directors have considerable training and expertise. New directors complete an induction programme with company senior management.

INSIDER TRADING

All directors and senior management of the Company are familiar with and have formally acknowledged acceptance of the Company's "Insider Trading Code" that relates to dealings in securities by directors and employees.

SIZE

The constitution prescribes a minimum of three directors and as at balance date there were five members of the board.

RE-ELECTION

Under the terms of the constitution, one third of the directors (two) are required to retire from office at the annual meeting of the Company but may seek re-election at that meeting.

MEETINGS

The board normally meets eight to twelve times a year and, in addition to reviewing normal operations of the Company, approves a strategic plan and annual budget each year.

Board meetings are usually scheduled annually in advance, although additional meetings may be called at shorter notice.

Directors receive formal proposals, management reports and accounts in advance of all meetings.

Executives are regularly invited to attend board meetings and participate in board discussion. Directors also meet with senior executives on items of particular interest.

Board meeting attendance for the year ended 29 February 2008 was as follows:

- E K van Arkel 11
- S R Beck 11
- D Diab 11
- D A Pilkington 12
- S H Suckling 11

STATEMENT OF CORPORATE GOVERNANCE CONTINUED

BOARD REMUNERATION

Directors' fees for the year ended 29 February 2008 were $60,000 for the chairman and $40,000 for each non-executive director. Refer to the Statutory Information section of the annual report for more detail.

No directors currently take a portion of their remuneration under a performance based equity compensation plan, although a number of directors do hold shares in the Company.

The terms of any directors' retirement payments are as prescribed in the constitution and require prior approval of shareholders in general meeting. No retirement payments have been made to any director.

DIRECTORS' INDEMNITY AND INSURANCE

The Company has insured all its directors and the directors of its subsidiaries against liabilities to other parties (except the Company or a related party of the Company) that may arise from their position as directors. The insurance does not cover liabilities arising from criminal actions.

The Company has executed a Deed of Indemnity, indemnifying all directors to the extent permitted by section 162 of the Companies Act 1993.

RISK MANAGEMENT

In managing the Company's business risks the board approves and monitors policy and process in such areas as:

- Internal audit
  Regular checks are conducted by operations and financial staff on all aspects of store operations.
- Treasury management
  Exposure to interest rate and foreign exchange risks is managed in accordance with the Company's treasury policy.
- Financial performance
  Full sets of management accounts are presented to the board at every meeting. Performance is measured against an annual budget with periodic forecast updates.
- Capital expenditure
  All capital expenditure is subject to relevant approval levels with significant items approved by the board. The board also monitors expenditure against approved projects and approves the capital plan.
- Insurance
  The Company has insurance policies in place covering most areas of risk to its assets and business. These include material damage and business interruption cover at all of its sites. Policies are reviewed and renewed annually with reputable insurers.

SHAREHOLDING

There is no prescribed minimum shareholding for directors although some do hold shares in the Company (refer to the Statutory Information section of the report for more detail).

Directors may purchase shares upon providing proper notice of their intention to do so and in compliance with the operation of the Company's "Insider Trading Code" (see above).

INTERESTS REGISTER

The board maintains an interests register. In considering matters affecting the Company, directors are required to disclose any actual or potential conflicts. Where a conflict or potential conflict has been disclosed the director takes no further part in receipt of information or participation in discussions on that matter.

SHAREHOLDER COMMUNICATION

The board places importance on effective shareholder communication. Half year and annual reports are published each year and posted on the Company's website, together with quarterly sales releases. From time to time the board may communicate with shareholders by mail outside this regular reporting regime.

Consistent with best practice and a policy of continuous disclosure, external communications that may contain market sensitive data are released through NZX in the first instance. Further communication is encouraged with press releases through mainstream media. The board formally reviews its proceedings at the conclusion of each meeting to determine whether there may be a requirement for a disclosure announcement.

Shareholder attendance at annual meetings is encouraged and the board allows extensive shareholder debate on all matters affecting the Company.

AUDITOR INDEPENDENCE

The board manages the relationship with its auditors through the audit committee. The Company's external auditors are currently permitted to provide non-audit services to the Company with the approval of the audit committee.

Auditor's remuneration is disclosed in Note 4 to the financial statements.

NZX CORPORATE GOVERNANCE BEST PRACTICE CODE

In almost all respects the Company's corporate governance practices conform with the NZX Corporate Governance Best Practice Code (the "Code"). The only areas in which the Company's practices vary from the Code are: it has not adopted a formal code of ethics, does not remunerate directors under a performance based equity compensation plan, does not impose specific training requirements on its directors and does not have a nominations committee.

CORPORATE DIRECTORY

DIRECTORS:

E K (Ted) van Arkel (Chairman)
Sue Helen Suckling
Shawn Richard Beck
Danny Diab
David Alan Pilkington

REGISTERED OFFICE:

Level 3, Westpac Building, Central Park,
666 Great South Road, Penrose,
Auckland, New Zealand

SHARE REGISTRAR:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1020
New Zealand

Telephone: (09) 488 8700

AUDITORS:

PricewaterhouseCoopers

SOLICITORS:

Bell Gully
Harmos Horton Lusk
Meredith Connell

BANKERS:

Westpac Banking Corporation
ANZ National Bank Limited

CONTACT DETAILS

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Fax: (09) 525 8711

E-mail: investor@restaurantbrands.co.nz

FINANCIAL CALENDAR

ANNUAL MEETING:

19 June 2008

CLOSE OF REGISTER FOR FINAL DIVIDEND:

13 June 2008

FINAL DIVIDEND PAID:

27 June 2008

INTERIM PROFIT ANNOUNCEMENT:

October 2008

INTERIM DIVIDEND PAID:

November 2008

FINANCIAL YEAR END:

28 February 2009

ANNUAL PROFIT ANNOUNCEMENT:

April 2009