2013 Interim Report

Restaurant Brands New Zealand Limited

HALF YEAR ENDED 10 SEPTEMBER 2012

Restaurant Brands continues to actively pursue clear strategies for each of its four brands to maximise opportunities for profit and revenue growth in the current economic environment.

Key points

- Net Profit after Tax for the half year (excluding non-trading items) was $8.8 million (9.0 cents per share), up 2.4% on the prior year. Reported profit (including non-trading items) was $6.9 million.
- Total revenues of $167.2 million were up 0.2% on the prior year. Same store sales were up 0.5% for the half year, driven by a significant improvement in Pizza Hut which was up 19.5%.
- Total brand EBITDA was $27.0 million, an increase of $1.0 million (4.0%) on the previous half year, with higher earnings for KFC and Pizza Hut partly offset by reduced earnings for Starbucks Coffee.
- General and administration (G&A) costs increased $1.0 million (16.6%), with increased investment in human resources and information systems, together with Carl's Jr establishment costs, in anticipation of three stores opening in the second half.
- Directors have declared a fully imputed interim dividend payable on 23 November 2012 of 6.5 cents per ordinary share, consistent with last year.

	1H 2013	1H 2012	Change (%)
Total Group Revenue ($m)	167.2	166.8	+0.2
Group Net Profit after Tax* ($m)	8.8	8.6	+2.4
Dividend (cps)	6.5	6.5	-

*Excluding non-trading items

Group Operating Results

Restaurant Brands' unaudited net profit after tax (excluding non-trading items) for the half year ended 10 September 2012 was $8.8 million or 9.0 cents per share, a 2.4% increase on the prior year's result of $8.6 million. Reported profit was $6.9 million (7.0 cents per share) down 9.2% on prior year because of a $1.3 million increase in non-trading items.

Total operating revenue at $167.2 million was up $0.3 million (0.2%) on the prior year with the small decline in KFC revenue of $0.5 million and Starbucks Coffee of $0.6 million being offset by the $1.3 million increase in revenue for Pizza Hut.

Brand EBITDA was up $1.0 million on prior year to $27.0 million. KFC earnings increased $0.7 million (2.9%). Pizza Hut also increased EBITDA by $0.6 million (59.5%), although Starbucks Coffee was down $0.3 million (15.5%). The earnings increase for KFC was mainly from a lower cost of sales (mix variance and some efficiency improvements). Pizza Hut's lift in earnings largely arose from enhanced fixed cost leverage from increased sales volumes. Starbucks Coffee earnings were adversely affected by the fall in revenue.

Directors are comfortable with the improvement in overall trading results (and particularly Pizza Hut), achieved in the face of a continuing challenging retail environment and some increases in key input costs.

The increase in earnings at the brand level was almost completely offset by a $1.0 million increase in above store overhead (G&A). The bulk of the increase was in Carl's Jr set up costs (recruitment, training and salaries of new staff). There were also increases in human resource and information systems costs with the significant "beefing up" of resources in these areas.

Two further stores were closed permanently following the Christchurch earthquake – these were Starbucks Coffee stores located in Cathedral Square and Colombo Street. One further Starbucks Coffee store in Cashel Mall remains closed and is unlikely to re-open.

KFC

	1H 2013	1H 2012	Change	Change (%)
Sales ($m)	127.4	127.9	-0.5	-0.4
EBITDA ($m)	23.9	23.2	+0.7	+2.9
EBITDA as a % of Sales	18.7	18.1	-	-

KFC produced total revenues of $127.4 million, down 0.4% ($0.5 million) on prior year. Same store sales were down 2.4%. Whilst negative for the first quarter, rolling over the launch of Double Down last year, they improved to a positive 0.7% for the second quarter, a satisfactory result given the comparative period last year also had the impact of the Rugby World Cup.

Despite the negative same store and total sales, operating efficiencies and a higher margin menu mix resulted in an increase in this half year's earnings against prior year. The KFC business produced $23.9 million of EBITDA (up $0.7 million) which was 18.7% of sales versus 18.1% last year.

The transformation process has continued with three stores located at Te Awamutu, Thames and Hawera being refurbished over the period. All of these stores have re-opened with sales at or ahead of expectations. Two stores at Lower Hutt and Park Avenue, Hutt Valley were closed during the half to prepare for site relocation as part of the transformation programme. The new relocated KFC Hutt Valley store re-opened with very strong sales shortly after the end of the half year as one of the flagship stores for the brand.

A total of 62 stores have now been transformed which represents nearly three quarters of the network of 86. A further four transformations and two new stores (including the relocated Hutt Valley store) are planned for the second half of the year.

Pizza Hut

	1H 2013	1H 2012	Change	Change (%)
Sales ($m)	25.9	24.6	+1.3	+5.4
EBITDA ($m)	1.7	1.0	+0.7	+59.5
EBITDA as a % of Sales	6.4	4.2	-	-

Pizza Hut saw a significant lift in sales and margin over this half year.

The increase in sales of $1.3 million (5.4%) to $25.9 million is a particularly pleasing outcome, given it was on a significantly lower store base - 11 stores (15%) less than prior year. The effective same store sales increase was 19.5%.

The introduction of strong value propositions to the Pizza Hut business with the sustained success of the $4.90 Large Classics Pizza and other value price points have successfully driven the improved sales.

The sales leverage together with tight operational controls has seen Pizza Hut EBITDA increase $0.6 million to $1.7 million for the half year (up 59.5%). EBITDA margin also improved to 6.4% of sales, up on the 4.2% in the prior year.

Pizza Hut finished the half with 63 stores, 11 less than the prior year with 20 stores now sold to independents (seven in this half year) and four stores closed (one over this half year).

Sales of regional stores to independent franchisees will continue with a further five stores expected to be sold by the end of the financial year.

Total Pizza Hut system sales (including independent franchisees) were $32.2m for the half year, an increase of 18.8% in total and 18.7% on a same store basis.

Starbucks Coffee

	1H 2013	1H 2012	Change	Change (%)
Sales ($m)	13.4	14.0	-0.6	-4.4
EBITDA ($m)	1.4	1.7	-0.3	-15.5
EBITDA as a % of Sales	10.7	12.1	-	-

The Starbucks Coffee brand experienced a fall in sales on a total and same store basis in the half year. Despite a strengthening exchange rate and improvement in operational efficiencies, sales deleverage, increased input costs and the end of business interruption insurance cover for three stores in Christchurch resulted in a reduction in earnings. The business returned an EBITDA of $1.4 million for the half, $0.3 million or 15.5% down on the prior year. EBITDA margins declined from 12.1% in the prior year to 10.7%.

Sales at $13.4 million were down by $0.6 million or 4.4% on last year with same store sales down 2.7%.

Store numbers were 33 at balance date, two down on the prior year but only 32 stores were operating consistent with the prior year. During the period, two stores in the Christchurch CBD that did not re-open after the earthquake were permanently closed. These stores were located at Cathedral Square and Colombo Street with a further store at Cashel Mall in the CBD remaining closed since the earthquake.

Carl's Jr

The development of the Carl's Jr concept continues to gain momentum. Initial training with the franchisor in the US for the first batch of managers has been completed and site acquisition, design and development is well under way for the first stores.

Three stores are expected to open in the second half of the year. They are located in Metro Centre in the Auckland CBD, Palmerston North and Mangere. A number of other stores are also in the development pipeline as part of a progressive rollout of stores across the country.

There have been some initial set up costs (largely personnel and training) incurred for the development of the brand, but all stores once opened are expected to be immediately profitable at the EBITDA level.

Corporate and Other

General and administration (G&A) costs at $7.2 million were up $1.0 million or 16.6% on the prior half year. With the establishment of the Carl's Jr brand, there have been increases in headcount to build the initial management structure and train the first managers. As the brand builds critical mass this expenditure requirement will reduce considerably. There has also been significant investment in human resources and information systems capability to support other significant initiatives such as replacement of the payroll processing system and a centralised recruitment centre to provide greater consistency and quality in selecting staff. G&A costs were 4.3% of sales for the half year, an increase on the 3.7% of sales in the prior year; however a number of these additional costs will progressively reduce and G&A is targeted to return to 4.0% of sales in the new year.

Depreciation charges of $7.4 million for the half year were consistent with the prior year. Although there has been significant capital expenditure over the past year, particularly in KFC, this was largely offset by reductions in depreciation from the sale of Pizza Hut stores to independent franchisees.

Interest expense of $0.4 million is down $0.3 million on the prior year with lower debt levels.

Tax expense is down on the prior year with lower reported profit levels. The effective tax rate of 25.8% is similar to the prior year of 25.6%.

Non-trading Items

Non-trading items of $2.9 million were up on last year's $1.7 million. Most of the increase came from Pizza Hut store disposals as the $1.0 million book gain on store sales was offset by a $2.8 million write down in associated goodwill. There were also write offs and make good costs on store closures of a further $1.1 million.

Cash flow and Balance Sheet

Total assets of $103.4 million were $1.5 million lower than last year end, with property, plant and equipment at $76.6 million versus $78.0 million at year end. Despite payment of $0.3 million in franchise fees, intangible assets of $18.2 million were down from $20.9 million at the last year end with Pizza Hut continuing to write off goodwill as stores are sold to independent franchisees. There are no further impairment write downs on intangibles as all three brands continued to maintain enterprise values in excess of their carrying values.

Total liabilities at $46.0 million were up $0.9 million on the previous year end with total borrowings reduced by $7.3 million to $6.4 million; however this was largely offset by an increase in current liabilities. Creditors and accruals increased $7.3 million compared to prior year end.

Operating cash flows of $19.8 million were $4.6 million up on the previous half year mainly because of favourable working capital movements in creditors and accruals and the receipt of insurance proceeds from the earthquake.

Cash outflows from investing activities of $3.1 million were down $7.8 million on the previous half year with a reduction in KFC transformation expenditure to $4.9 million and the benefit of proceeds from the sales of Pizza Hut franchises ($2.1 million).

With higher operating cash flows and reduced investing cash outflows, debt reduced by $7.3 million over the half year reducing total borrowings to $6.4 million.

Dividend

Given the fact the financial performance for the first half is anticipated to continue for the balance of the year, the company's relatively low levels of debt and factoring in the capital expenditure requirements of bringing the Carl's Jr stores progressively to market, the board has declared an interim dividend of 6.5 cents per share, the same as the prior year.

Following the change in corporate tax rate from 30% to 28% from 1 March 2011, the company has been gradually utilising imputation credits at the rate of 30% with each dividend paid since that change to ensure that the maximum benefit of these imputation credits are passed onto shareholders within the statutory two year transition period. As a result, the interim dividend will be at a blended rate with 2.8 cents fully imputed at 30% and the balance of 3.7 cents fully imputed at 28%.

The dividend will be paid on Friday 23 November 2012 to all shareholders on the register at 5pm on Friday 9 November 2012. For overseas shareholders, a supplementary dividend of 1.1471 cents per share will be paid at the same time.

Directors have elected to continue to suspend the dividend reinvestment plan for the time being, but will review this again prior to the declaration of a final dividend.

Outlook

This continues to be a challenging period for the sector and for the company in the current tight economic and retail environment.

Pizza Hut has performed significantly better than the prior year with the significant sales lift providing a platform for sales leverage and an improvement in margin; this is expected to continue.

The KFC business faces further input cost increases in the second half of the year but is anticipating being able to manage these through some sales growth and operating efficiencies. KFC will receive a further boost in the second half with the opening of two of its new "Fusion" stores and a number of smaller transformations.

Starbucks Coffee has experienced a decline in sales and margins; however pricing changes, revised beverage formulations and a revamped food range are expected to address this.

The level of increased G&A is also expected to reduce in the second half.

With three Carl's Jr stores opening towards the end of the year, and all expecting to be immediately profitable, there will be some positive contribution from this new brand to the full year result.

Directors therefore anticipate a similar trend in profit over the second half to a full year NPAT (excluding non-trading items) in the vicinity of $18 million.

Consolidated income statement

For the period 1 March to 10 September 2012 (2013 Half Year)

Restaurant Brands Group $NZ000's (Unaudited)	**1st Half 2013 10 Sep 2012**	**vs Prior %**	**1st Half 2012 12 Sep 2011**
Total operations			
Sales			
KFC	127,443	(0.4)	127,912
Pizza Hut	25,884	5.4	24,565
Starbucks Coffee	13,369	(4.4)	13,980
Total sales	**166,696**	0.1	**166,457**
Other revenue	465	29.2	360
Total operating revenue	**167,161**	0.2	**166,817**
Cost of goods sold	(137,905)	(0.1)	(137,834)
Gross margin	**29,256**	0.9	**28,983**
Distribution expenses	(1,529)	10.3	(1,704)
Marketing expenses	(7,921)	7.6	(8,576)
General and administration expenses	(7,204)	(16.6)	(6,179)
EBIT before non-trading	**12,602**	0.6	**12,524**
Non-trading	(2,924)	(76.1)	(1,660)
EBIT	**9,678**	(10.9)	**10,864**
Net financing expenses	(432)	40.2	(722)
Net profit before tax	**9,246**	(8.8)	**10,142**
Taxation expense	(2,388)	7.9	(2,593)
Total profit after tax (NPAT)	**6,858**	(9.2)	**7,549**
Total NPAT excluding non-trading	**8,762**	2.4	**8,556**

EBITDA before G&A		**% sales**			**% sales**
KFC	23,877	18.7	2.9	23,209	18.1
Pizza Hut	1,662	6.4	59.5	1,042	4.2
Starbucks Coffee	1,433	10.7	(15.5)	1,695	12.1
Total	**26,972**	**16.2**	**4.0**	**25,946**	**15.6**

Ratios

Net tangible assets per security (net tangible assets divided by number of shares) in cents	40.0c	36.7c

Cost of goods sold are direct costs of operating stores: food, paper, freight, labour and store overheads.

Distribution expenses are costs of distributing product from store.

Marketing expenses are call centre, advertising and local store marketing expenses.

General and administration expenses (G&A) are non-store related overheads.

Statement of comprehensive income

For the period 1 March to 10 September 2012 (2013 Half Year)

Group 2013 Half Year Unaudited $NZ000's		Note	Group 2012 Half Year Unaudited $NZ000's	Group 2012 Full Year Audited $NZ000's
	Total operations			
166,696	Store sales revenue		166,457	308,213
465	Other revenue		360	714
167,161	**Total operating revenue**		**166,817**	**308,927**
(137,905)	Cost of goods sold		(137,834)	(252,706)
29,256	**Gross profit**		**28,983**	**56,221**
(1,529)	Distribution expenses		(1,704)	(3,088)
(7,921)	Marketing expenses		(8,576)	(15,087)
(7,204)	General and administration expenses		(6,179)	(11,333)
12,602	**EBIT before non-trading**		**12,524**	**26,713**
(2,924)	Non-trading		(1,660)	(2,316)
9,678	**Earnings before interest and taxation (EBIT)**		**10,864**	**24,397**
6	Interest revenue		1	1
(438)	Interest expense		(723)	(1,307)
(432)	Net financing expenses		**(722)**	**(1,306)**
9,246	**Profit before taxation**		**10,142**	**23,091**
(2,388)	Taxation expense		(2,593)	(6,164)
6,858	**Total profit after taxation attributable to shareholders**		**7,549**	**16,927**
	Other comprehensive income:			
-	Exchange differences on translating foreign operations		1	-
(14)	Derivative hedging reserve		-	-
4	Income tax relating to components of other comprehensive income		-	-
(10)	**Other comprehensive (loss) / income for the half year, net of tax**		**1**	**-**
6,848	**Total comprehensive income for the half year attributable to shareholders**		**7,550**	**16,927**
7.01	**Basic earnings per share from total operations (cents)**	**4**	**7.72**	**17.31**
7.01	**Diluted earnings per share from total operations (cents)**	**4**	**7.71**	**17.30**

Statement of changes in equity

For the period 1 March to 10 September 2012 (2013 Half Year)

Group $NZ000's	Share Capital	Share Option Reserve	Foreign Currency Translation Reserve	Derivative Hedging Reserve	Retained Earnings	Total
Audited balance as at 28 February 2011	**26,576**	**33**	**53**	**-**	**32,233**	**58,895**
Comprehensive income						
Total profit after taxation attributable to shareholders	-	-	-	-	7,549	7,549
Other comprehensive income						
Movement in foreign currency translation reserve	-	-	1	-	-	1
Total other comprehensive income	**-**	**-**	**1**	**-**	**-**	**1**
Total comprehensive income	**-**	**-**	**1**	**-**	**7,549**	**7,550**
Transactions with owners						
Shares issued on exercise of options	54	(4)	-	-	-	50
Net dividends distributed	-	-	-	-	(9,779)	(9,779)
Total transactions with owners	**54**	**(4)**	**-**	**-**	**(9,779)**	**(9,729)**
Unaudited balance as at 12 September 2011	**26,630**	**29**	**54**	**-**	**30,003**	**56,716**
Comprehensive income						
Total profit after taxation attributable to shareholders	-	-	-	-	9,378	9,378
Other comprehensive income						
Movement in foreign currency translation reserve	-	-	(1)	-	-	(1)
Total other comprehensive income	**-**	**-**	**(1)**	**-**	**-**	**(1)**
Total comprehensive income	**-**	**-**	**(1)**	**-**	**9,378**	**9,377**
Transactions with owners						
Shares issued on exercise of options	18	(1)	-	-	-	17
Net dividends distributed	-	-	-	-	(6,357)	(6,357)
Total transactions with owners	**18**	**(1)**	**-**	**-**	**(6,357)**	**(6,340)**
Audited balance as at 29 February 2012	**26,648**	**28**	**53**	**-**	**33,024**	**59,753**
Comprehensive income						
Total profit after taxation attributable to shareholders	-	-	-	-	6,858	6,858
Other comprehensive income						
Movement in derivative hedging reserve	-	-	-	(10)	-	(10)
Total other comprehensive income	**-**	**-**	**-**	**(10)**	**-**	**(10)**
Total comprehensive income	**-**	**-**	**-**	**(10)**	**6,858**	**6,848**
Transactions with owners						
Shares issued on exercise of options	67	-	-	-	-	67
Net dividends distributed	-	-	-	-	(9,293)	(9,293)
Total transactions with owners	**67**	**-**	**-**	**-**	**(9,293)**	**(9,226)**
Unaudited balance as at 10 September 2012	**26,715**	**28**	**53**	**(10)**	**30,589**	**57,375**

Statement of financial position

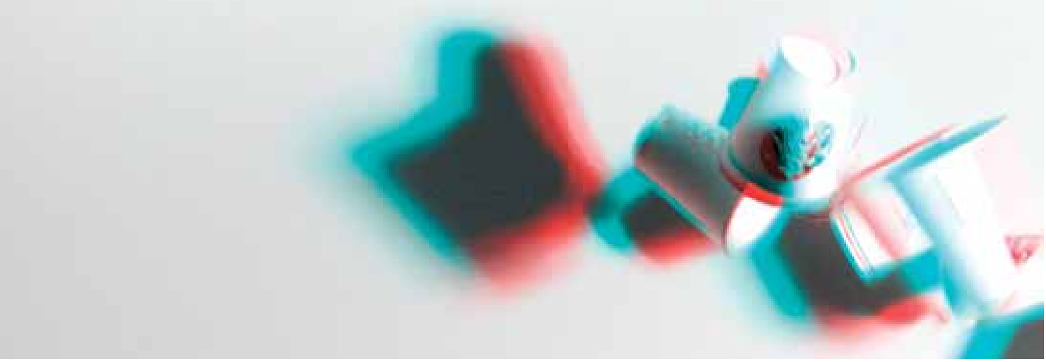
As at 10 September 2012 (2013 Half Year)

Group 2013 Half Year Unaudited $NZ000's		Group 2012 Half Year Unaudited $NZ000's	Group 2012 Full Year Audited $NZ000's
	Non-current assets		
76,589	Property, plant and equipment	82,980	77,976
18,242	Intangible assets	20,800	20,853
2,684	Deferred tax asset	1,552	1,347
97,515	**Total non-current assets**	**105,332**	**100,176**
	Current assets		
1,912	Inventories	2,126	1,927
3,237	Other receivables	3,651	2,067
-	Income tax receivable	289	-
709	Cash and cash equivalents	487	700
5,858	**Total current assets**	**6,553**	**4,694**
103,373	**Total assets**	**111,885**	**104,870**
	Equity attributable to shareholders		
26,715	Share capital	26,630	26,648
71	Reserves	83	81
30,589	Retained earnings	30,003	33,024
57,375	**Total equity attributable to shareholders**	**56,716**	**59,753**
	Non-current liabilities		
5,570	Provisions and deferred income	5,879	5,286
6,411	Loans and finance leases	18,006	13,680
11,981	**Total non-current liabilities**	**23,885**	**18,966**
	Current liabilities		
1,383	Income tax payable	-	1,067
155	Loans and finance leases	156	159
30,413	Creditors and accruals	29,288	23,113
1,812	Provisions and deferred income	1,609	1,547
254	Derivative financial instruments	219	265
-	Liabilities associated with assets classified as held for sale	12	-
34,017	**Total current liabilities**	**31,284**	**26,151**
45,998	**Total liabilities**	**55,169**	**45,117**
103,373	**Total equity and liabilities**	**111,885**	**104,870**

Statement of cash flows

For the period 1 March to 10 September 2012 (2013 Half Year)

Group 2013 Half Year Unaudited $NZ000's		Group 2012 Half Year Unaudited $NZ000's	Group 2012 Full Year Audited $NZ000's
	Cash flows from operating activities		
	Cash was provided by / (applied to):		
168,129	Receipts from customers	167,544	310,374
(144,562)	Payments to suppliers and employees	(146,522)	(272,503)
(576)	Interest paid (net)	(729)	(1,187)
(3,181)	Payment of income tax	(5,123)	(6,888)
19,810	**Net cash from operating activities**	**15,170**	**29,796**
	Cash flows from investing activities		
	Cash was (applied to) / provided by:		
(301)	Payment for intangibles	(506)	(1,350)
(4,882)	Purchase of property, plant and equipment	(12,117)	(15,094)
2,105	Proceeds from disposal of property, plant and equipment	1,730	2,115
(3,078)	**Net cash used in investing activities**	**(10,893)**	**(14,329)**
	Cash flows from financing activities		
	Cash was provided by / (applied to):		
67	Cash received on the exercise of options	50	67
(7,180)	(Decrease) / increase in loans	5,630	1,370
(93)	(Decrease) / increase in finance leases	25	(38)
(9,293)	Dividends paid to shareholders	(9,779)	(16,136)
(224)	Supplementary dividends paid	(511)	(825)
(16,723)	**Net cash used in financing activities**	**(4,585)**	**(15,562)**
9	**Net increase / (decrease) in cash and cash equivalents**	**(308)**	**(95)**
	Reconciliation of cash and cash equivalents		
700	**Cash and cash equivalents at the beginning of the period**	**795**	**795**
	Cash and cash equivalents at the end of the period:		
242	Cash on hand	257	253
467	Cash at bank	230	447
709		**487**	**700**
9	**Net increase / (decrease) in cash and cash equivalents**	**(308)**	**(95)**



Statement of cash flows (continued)

For the period 1 March to 10 September 2012 (2013 Half Year)

The following is a reconciliation between profit after taxation for the period shown in the statement of comprehensive income and the net cash flow from operating activities.

Group 2013 Half Year Unaudited $NZ000's		Group 2012 Half Year Unaudited $NZ000's	Group 2012 Full Year Audited $NZ000's
6,858	**Total profit after taxation attributable to shareholders**	**7,549**	**16,927**
	Add items classified as investing / financing activities:		
(1,271)	(Gain) / loss on disposal of property, plant and equipment	134	259
(1,271)		**134**	**259**
	Add / (less) non-cash items:		
7,403	Depreciation	7,389	13,775
2,806	Disposal of goodwill	1,241	1,518
410	Increase / (decrease) in provisions	(52)	(98)
567	Amortisation of intangible assets	548	1,037
94	Write-off of franchise fees	90	115
315	Impairment on property, plant and equipment	113	65
(1,337)	Net (increase) / decrease in deferred tax asset	1	206
(11)	Change in fair value of derivative financial instruments	62	108
(14)	Increase in derivative hedging reserve	-	-
4	Tax effect of derivative financial instruments	-	-
10,237		**9,392**	**16,726**
	Add / (less) movement in working capital:		
15	Decrease / (increase) in inventories	(337)	(138)
(933)	Decrease in other debtors and prepayments	(1,769)	(370)
4,364	Increase / (decrease) in trade creditors and other payables	2,732	(2,747)
316	Increase / (decrease) in income tax payable	(3,042)	(1,686)
224	Decrease in income tax	511	825
3,986		**(1,905)**	**(4,116)**
19,810	**Net cash from operating activities**	**15,170**	**29,796**

Notes to the financial statements

For the period 1 March to 10 September 2012 (2013 Half Year)

1. Profit before taxation

Group 2013 Half Year Unaudited $NZ000's		Group 2012 Half Year Unaudited $NZ000's	Group 2012 Full Year Audited $NZ000's
	***Profit before taxation** (consolidated business)*		
	The profit before taxation is calculated after charging / (crediting) the following items:		
9,935	Royalties paid	9,918	18,361
8,790	Operating lease expenses	9,357	17,268
(1,271)	Net (gain) / loss on disposal of property, plant and equipment	134	259
	Non-trading items comprise:		
	Loss on sale of stores		
(1,541)	Net sale proceeds	(895)	(1,237)
584	Property, plant and equipment disposed of	845	1,045
2,806	Goodwill disposed of	1,241	1,518
1,849		1,191	1,326
975	Other store closure costs (including franchise fees written off)	302	597
(215)	Other store closure costs - insurance proceeds	-	-
-	Other store relocation and refurbishment costs	54	144
-	Other store relocation and refurbishment - insurance proceeds	-	184
315	Impairment on property, plant and equipment	113	65
2,924	**Total non-trading items**	**1,660**	**2,316**

Notes to the financial statements (continued)

For the period 1 March to 10 September 2012 (2013 Half Year)

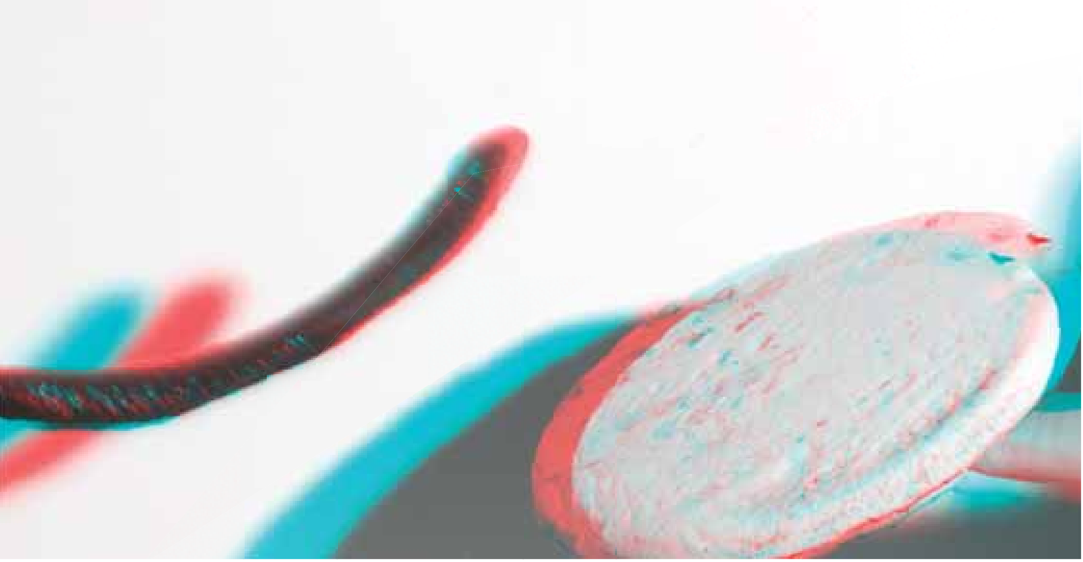
2. Business segments

	KFC		Pizza Hut	
$NZ000's (Unaudited)	**2013**	**2012**	**2013**	**2012**
Store sales revenue	127,443	127,912	25,884	24,565
Other revenue	-	-	-	-
Total operating revenue **	127,443	127,912	25,884	24,565
Segment result (Concept EBIT) before non-trading	**16,828**	**16,571**	**(189)**	**(1,108)**
Segment result (Concept EBIT) after non-trading	**16,089**	**16,491**	**(2,257)**	**(2,673)**
Operating profit (EBIT)				
Net financing costs				
Net profit before taxation				
Taxation expense				
Net profit after taxation				
Net profit after taxation excluding non-trading				
Concept EBITDA before general and administration expenses	**23,877**	**23,209**	**1,662**	**1,042**
Segment assets	70,287	74,464	18,463	23,716
Unallocated assets				
Total assets				

* All other segments are general and administration support centre expenses (G&A).

** All operating revenue is from external customers.

Starbucks Coffee		All other segments *		Consolidated Half Year		Consolidated Full Year
2013	2012	2013	2012	2013	2012	2012
13,369	13,980	-	-	166,696	166,457	308,213
-	-	465	360	465	360	714
13,369	13,980	465	360	167,161	166,817	308,927
329	**575**	**(4,366)**	**(3,514)**	**12,602**	**12,524**	**26,713**
212	**560**	**(4,366)**	**(3,514)**	**9,678**	**10,864**	**24,397**
				9,678	**10,864**	**24,397**
				(432)	(722)	(1,306)
				9,246	**10,142**	**23,091**
				(2,388)	(2,593)	(6,164)
				6,858	**7,549**	**16,927**
				8,762	**8,556**	**18,361**
1,433	**1,695**	**-**	**-**	**26,972**	**25,946**	**51,396**
5,715	6,576	2,278	1,150	96,743	105,906	100,267
				6,630	5,979	4,603
				103,373	**111,885**	**104,870**



Notes to the financial statements (continued)

For the period 1 March to 10 September 2012 (2013 Half Year)

3. Basis of preparation

These unaudited financial statements for the 28 week period ended 10 September 2012 have been prepared in accordance with generally accepted accounting practice in New Zealand and NZ IAS 34, Interim Financial Statements, and should be read in conjunction with the financial statements published in the Annual Report for the period ended 29 February 2012 (referred to in these statements as "2012 Full Year"). These unaudited financial statements also comply with International Accounting Standard 34 Interim Financial Reporting (IAS 34). The accounting policies applied are consistent with those of the 2012 Full Year financial statements.

Restaurant Brands New Zealand Limited (the "Company" or "Parent") together with its subsidiaries (the "Group") operate quick service and takeaway restaurant concepts.

The Group divides its financial year into thirteen 4-week periods. These interim financial statements are for the first 7 periods (28 weeks) of the year ending on 10 September 2012 (2012:28 weeks ending on 12 September 2011). The second half will be for 6 periods (24 weeks).

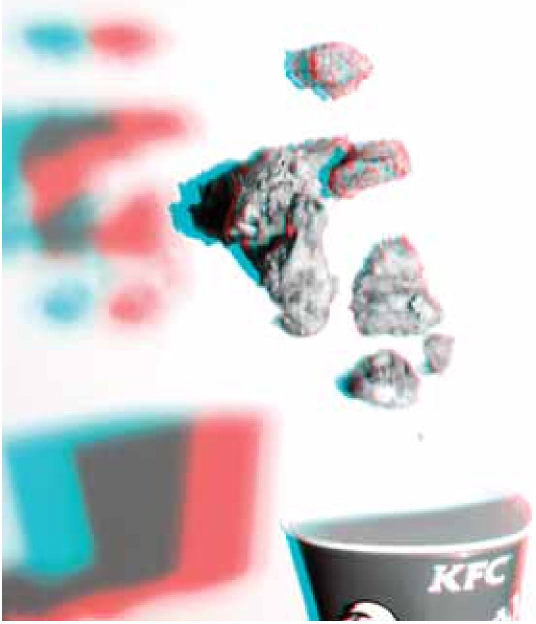
The interim financial statements presented are those of the Group. The Company is a limited liability company incorporated and domiciled in New Zealand, is registered under the Companies Act 1993, and is an issuer in terms of the Securities Act 1978 and the Financial Reporting Act 1993. The Group is designated as a profit oriented entity for financial reporting purposes.

To ensure consistency with current period, comparative figures have been restated where appropriate.

New standards and amendments

The following new standards and amendments to standards were applied during the period:

- *FRS 44: New Zealand Additional Disclosures and Harmonisation Amendments* (effective for annual periods on or after 1 July 2011). FRS 44 sets out New Zealand specific disclosures for reporting under NZIFRS, which have been relocated to a separate disclosure standard. The Group has elected to include additional comparative information as it is considered to provide relevant information to the users of the financial statements.



Notes to the financial statements (continued)

For the period 1 March to 10 September 2012 (2013 Half Year)

4. Earnings per share

The difference between weighted average number of shares used to calculate basic and diluted earnings per share represents share options.

	Group 2013 Half Year Unaudited	Group 2012 Half Year Unaudited	Group 2012 Full Year Audited
Basic earnings per share from total operations			
Profit after taxation from total operations attributable to shareholders ($NZ000's)	6,858	7,549	16,927
Weighted average number of ordinary shares on issue (thousands)	97,821	97,781	97,764
Basic earnings per share (cents)	7.01	7.72	17.31
Diluted earnings per share from total operations			
Profit after taxation from total operations attributable to shareholders ($NZ000's)	6,858	7,549	16,927
Weighted average number of ordinary shares on issue (thousands)	97,841	97,919	97,832
Diluted earnings per share (cents)	7.01	7.71	17.30

Shares on issue

As at 10 September 2012, the total number of ordinary shares on issue was 97,846,443 (2012: 97,796,390).

5. Property, plant and equipment

Acquisitions and disposals

During the half year ended 10 September 2012, the Group acquired assets with a total cost of $7.4 million (2012: $9.2 million) and disposed of assets with a total cost of $7.3 million (2012: $4.7 million).

6. Related party transactions

Subsidiaries

During the period, the Parent received advances from its subsidiary company by way of inter-company group loans. In presenting the interim financial statements of the Group, the effect of inter-company transactions and balances have been eliminated. All inter-company group loans in the Parent are non-interest bearing and repayable on demand.

Other transactions with entities with key management or entities related to them

During the period the Group made the following:

- Stock purchases of $0.2 million (2012: $0.2 million) from Barker Fruit Processors Limited, a company of which Company director Sue Suckling is chairperson. There was nil owing at balance date (2012: nil).
- Stock purchases or $75,000 (2012: $5,000) from Nestle New Zealand Limited, a company of which Company director Ted van Arkel is a director. There was nil owing at balance date (2012: nil).

Key management and director compensation

Key management personnel comprises members of the Senior Leadership Team. Key management personnel compensation comprised short-term benefits for the period of $1.2 million (2012: $1.7 million) and other long-term benefits of $12,000 (2012: $15,000).

Fees paid to directors for the period were $0.1 million (2012: $0.1 million).

Share options issued to key management personnel

At balance date 5,755 options issued under the employee share option plan (refer to 2012 Annual Report) to key management personnel remain outstanding (2012: 16,782). During the period, 11,027 options were exercised (2012: 14,892). The table below summarises the movement in outstanding options during the period.

Date of issue	Exercise Price	Outstanding Options at 29 February 2012	Exercised during Period	Outstanding Options at 10 September 2012
13-Sep-02	$1.85	11,027	11,027	-
23-Sep-03	$1.39	5,755	-	5,755
		16,782	11,027	5,755

Notes to the financial statements (continued)

For the period 1 March to 10 September 2012 (2013 Half Year)

7. Capital commitments

The Group had capital commitments totalling $5.3 million (2012: $0.2 million) which are not provided for in these financial statements.

8. Contingencies

Provision has been made in the ordinary course of business for all known and probable future claims but not for such claims that cannot presently be reliably measured.

9. Post balance date events

Dividends

The directors have declared an interim dividend of 6.5 cents per share (2012: 6.5 cents) or $6.4 million (2012: $6.4 million). A supplementary dividend of 1.15 cents per share will be paid to overseas shareholders when the dividend is paid.

Corporate directory

Directors:
E K (Ted) van Arkel (Chairman)
Sue Helen Suckling
Danny Diab
David Alan Pilkington

Registered office:
Level 3
Westpac Building
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666 Great South Road
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Share registrar:
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159 Hurstmere Road
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Private Bag 92 119
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Auditors:
PricewaterhouseCoopers

Solicitors:
Bell Gully
Harmos Horton Lusk
Meredith Connell

Bankers:
Westpac Banking Corporation

Contact details:
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Telephone: 64 9 525 8700
Fax: 64 9 525 8711
E-mail: investor@restaurantbrands.co.nz

Financial calendar

Interim dividend paid:
23 November 2012

Financial year end:
28 February 2013

Annual profit announcement:
April 2013