

BUSINESS AS USUAL.

RESTAURANT BRANDS NEW ZEALAND LIMITED

2008 INTERIM REPORT FOR THE HALF YEAR ENDED 10 SEPTEMBER 2007

KEY POINTS.

- Net Profit after Tax (NPAT) on continuing operations (excluding non-trading items) for the half year ended 10 September was \$5.4 million. This is up 12% on the \$4.9 million achieved for the prior year comparable period.
- NPAT including non-trading items was \$4.5 million, up \$4.3 million on prior year. The prior year included a write down of the Pizza Hut Victoria investment.
- Total revenues from continuing operations (New Zealand) for the first half were \$164.3 million, up \$7.9 million or 5.1% on prior year.
- KFC continued its transformation strategy, delivering another significant improvement in sales and profitability. Sales increased 10.8% to \$106.2 million and EBITDA earnings were \$19.2 million, up \$3.7 million (24%) on prior year.
- Pizza Hut New Zealand operations saw a flattening off in the rate of sales decline, recording an 8.2% decrease in sales on prior year, EBITDA earnings were \$2.4 million, \$0.8 million down on the prior year.
- The Pizza Hut Victoria store disposal process continued, with seven stores currently remaining of which two are subject to sale and purchase agreements. It is planned to have completed the exit from Victoria through the sale or closure of the remaining five stores by the end of the financial year. While every attempt has been made to provide for the final exit costs, a further write off from these remaining stores may be required at year end.
- Directors have approved an interim dividend of 3.0 cents per share, fully imputed, payable on 23 November 2007. This is a 0.5 cent increase on the 2.5 cent dividend paid in the 2006/7 year, and recognises the improvement in trading conditions and cash flow.



For the Half Year ended 10 September 2007

Net Profit after Tax (NPAT) (NZ\$m)	1H 2007	1H 2008
NPAT including non-trading items	0.2	4.5
NPAT excluding non-trading items	3.1	5.4
NPAT from continuing operations including non-trading items	3.9	4.5
NPAT from continuing operations excluding non-trading items	4.9	5.4

GROUP OPERATING RESULTS

Restaurant Brands New Zealand Limited has produced an unaudited Net Profit after Tax for the half year ended 10 September 2007 of \$4.5 million, up \$4.3 million on the equivalent period last year. \$3.7 million of the improvement, however, arose from last year's losses in the Pizza Hut Victoria operation, which is now close to being exited.

New Zealand (continuing) operations produced a Net Profit after Tax of \$4.5 million for the half year, up \$0.6 million or 16% on prior year. Excluding non-trading items, the New Zealand result was an NPAT of \$5.4 million, up 12% on prior year.

The bulk of the profit improvement came from a continued strong performance by the KFC business, which generated close to record earnings with an EBITDA of \$19.2 million, \$3.7 million up on prior year. This was partially offset by a continued sub-optimal performance by Pizza Hut in New Zealand which was \$0.8 million below prior year. Increases in depreciation charges and interest costs arising from the transformation spend also partially offset the improved KFC earnings.

Total revenues from continuing operations totalled \$164.3 million up 5.1% or \$7.9 million on the 2006/7 year.

EBITDA* Margin (% sales)	1H 2006	1H 2007	1H 2008
KFC	16.1%	16.2%	18.1%
Pizza Hut New Zealand	13.4%	7.1%	5.9%
Starbucks Coffee	15.1%	10.8%	12.1%

EBITDA* = Earnings Before Interest, Taxation, Depreciation and Amortisation

NEW ZEALAND OPERATIONS

KFC

The KFC brand continued to produce pleasing results, based on the continued roll out of store transformations, strong operational and customer satisfaction performance and a full promotional calendar including such successful promotional activity as Hot & Spicy Boneless Chicken, Mashies and Wicked Wings.

Total revenues for the half were \$106.2 million, up 10.8% on prior year. This sales growth (9.9% on a same store basis) was despite the impact of quite significant store closures over the period as part of the store rebuild process, and sets a new record for the brand.

The profit flow-through was equally strong, with KFC delivering an EBITDA of \$19.2 million for the half year, an increase of 24.0%, despite continuing cost increases in labour, freight and some raw materials and the loss of profitability on closed stores during the transformation process. EBITDA margin was 18.1% for the half versus 16.2% for the prior year comparative.

Four stores were transformed during the first half, bringing the total transformed stores to 24 (including three completely new stores) since the project began in December 2004. The following transformed stores will be re-opened before Christmas: Whangarei, Hastings, Massey and Invercargill South.

KFC store numbers remained constant at 87.

Pizza Hut New Zealand

With changes to management, marketing and pricing activity, improved in-store operations and an increased focus on wastage and shrinkage, the Pizza Hut New Zealand business is starting to make some headway on a turnaround strategy. The market continues to be highly competitive, but the rate of profit decline has slowed.

Total sales for the half at \$40.5 million were 8.2% down on prior year, but 5.7% down on a same store basis. The rate of same store sales decline has reduced as follows:

Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008
(16.5)%	(10.3)%	(7.5)%	(8.0)%	(4.0)%

EBITDA was \$2.4 million, a 24.2% decrease on the prior year. Cost increases in labour and raw materials were not immediately recoverable in the very competitive marketplace and de-leverage in fixed cost recoveries continued with the lower sales volumes. EBITDA margin was 5.9% for the half compared to 7.1% in the prior year.

The changes in management and an increased focus on in-store controls over the past three to four months have produced an improving profit trend during the half year. EBITDA margin for the second quarter at 9.5% of sales was ahead of the first quarter (1.2%) and better than the first half of last year (7.1%).

Store numbers reduced by three over the half year with the progressive closure of another three non-performing red roof stores at Northcote, Papakura and Palmerston North. Two additional red roof restaurants and one delco closure are anticipated by the end of the financial year, bringing store numbers down from the current 100 to 97.

Starbucks Coffee

The Starbucks Coffee business continued to produce a steady performance. Sales for the first six months of the year were up 7.2% to \$17.4 million, with same store sales increasing 2.5%.

Total EBITDA for the brand was \$2.1 million, up 20.3% on the prior year's \$1.8 million. Margin increased from 10.8% of sales to 12.1% on the back of higher revenues and an improved exchange rate.

Store numbers reduced by one to 46 over the half with the closure of a non-performing store at 105 Queen Street, Auckland pending relocation later this year to a higher profile site.

PIZZA HUT VICTORIA

The focus for the Pizza Hut Victoria business, which was classified as a discontinued operation last year, continues to be the sale or closure of the remaining stores.

At half year, there were 11 stores remaining of the original 50. A further three were sold and one closed subsequent to half year balance date. Another two are expected to be settled within the next two months. This leaves five stores yet to be resolved; although every possible avenue is being explored for sale or closure to achieve a full exit by the end of the financial year.

The deficit from discontinued operations for Pizza Hut Victoria continues to be taken up to a closure provision made at the end of the last financial year. While every attempt has been made to quantify and provide for the full exit costs, the complicated nature of multiple lease assignments, the franchisor purchaser approvals and transfer costs mean that the final exit costs are still not known. The final wash up on completion may still result in a further write-off and a review of the provision will be undertaken prior to year end.

CASH FLOW AND BALANCE SHEET

Operating cash flows improved from \$8.9 million to \$13.4 million for the half, largely due to the substantial increase in KFC earnings and the lower levels of cash loss in the Victoria business. Investing cash flows decreased from \$14.7 million to \$9.8 million for the half year, with KFC transformation spend running at lower levels and a spreading of franchise renewal fees in the current year.

Total assets at \$117.9 million were down \$1.9 million on the prior period with the Victoria sell down. Fixed assets were up \$2.8 million with the KFC transformation spend and intangibles were up \$1.4 million with payment of franchise fee renewals. Commensurate with the investment in the KFC business, bank term debt has risen to \$48.7 million, compared with \$44.1 million in September 2006. It is, however, slightly reduced from the \$49.2 million in February 2007.

<u>Sales First Half (NZ\$m)</u>	1H 2003	1H 2004	1H 2005	1H 2006	1H 2007	1H 2008
KFC	95.9	94.3	92.3	90.8	95.8	106.2
Pizza Hut New Zealand	41.2	44.9	46.4	49.9	44.1	40.5
Starbucks Coffee	12.1	12.2	12.8	14.3	16.3	17.4
Total New Zealand	149.2	151.4	151.5	155.0	156.2	164.1
Pizza Hut Victoria	11.4	15.7	16.3	15.6	15.8	4.7
Total Group	160.6	167.1	167.8	170.6	172.0	168.8

DIVIDEND

With an improving trading and cash flow position, the directors have resolved to pay an interim dividend of 3.0 cents per share, fully imputed, compared with 2.5 cents for the last interim dividend. The dividend will be paid on Friday, 23 November to all shareholders on the register at 5.00 pm on Friday, 9 November. For overseas shareholders, a supplementary dividend of 0.5294 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.

DIRECTORS AND MANAGEMENT

Following an extensive search process, the appointment of Russel Creedy as CEO was made on 14 September 2007. Russel, who had been in an acting CEO role since March 2007, originally joined Restaurant Brands in 2001 as Supply Chain Director.

During the half year, there were also changes in the senior management of the company with the appointment of Rod de Vries as General Manager of Pizza Hut. Rod's considerable experience in the turnaround of KFC is now being applied to the Pizza Hut business in New Zealand.

OUTLOOK

It is anticipated that the KFC business will continue its momentum in the back half of the year with continued strong sales and profit growth. A further five KFC stores will be transformed in the second half, bringing total transformations to 29.

While the pizza market continues to be very competitive, Pizza Hut is expected to deliver an improved profit performance in the second half compared to the second half of the 2006/7 year.

Starbucks Coffee is also expected to deliver modest sales growth and maintenance of current margins.

The Pizza Hut Victoria business is still planned to be exited by the end of the financial year, with all stores closed or sold and the final quantification of any residual exit costs taken up at year end.

Directors remain confident the company will produce a NPAT (excluding non-trading items) in the vicinity of \$9 million to \$10 million for the full year.

Restaurant Brands Group

NZ \$000's (Unaudited)

1st Half 2008
10 September 2007

vs Prior
%

1st Half 2007
11 September 2006

Continuing Operations:

Sales

KFC	106,175	10.8	95,837
Pizza Hut	40,507	(8.2)	44,124
Starbucks Coffee	17,425	7.2	16,256
Other Revenue	238	8.7	219

Total Operating Revenue	164,345	5.1	156,436
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Cost of Goods Sold	(134,852)	(5.4)	(127,948)
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Gross Margin	29,493	3.5	28,488
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Distribution Expenses	(2,773)	17.8	(3,372)
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Marketing Expenses	(9,903)	4.0	(10,314)
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General & Administration	(6,023)	2.7	(6,187)
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EBIT before non-trading	10,794	25.3	8,615
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Non-Trading - Other	(1,413)	3.1	(1,458)
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EBIT	9,381	31.1	7,157
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Interest Income	19	(95.7)	440
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Interest Expense	(2,655)	(50.8)	(1,761)
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Net Profit before Tax	6,745	15.6	5,836
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Taxation Expense	(2,262)	(15.5)	(1,959)
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Net Profit after Tax			
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from continuing operations	4,483	15.6	3,877
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(Loss) from Discontinued Operations net of tax*	–	100.0	(3,668)
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Total Profit after Tax	4,483	2,045.0	209
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NPAT on continuing operations			
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excluding non-trading items	5,430	12.0	4,850
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Total NPAT			
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excluding non-trading items	5,430	77.9	3,053
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EBITDA

% sales

% sales

KFC	19,210	18.1	24.0	15,491	16.2
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Pizza Hut New Zealand	2,390	5.9	(24.2)	3,152	7.1
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Starbucks Coffee	2,109	12.1	20.3	1,753	10.8
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Total New Zealand	23,709	14.4	16.2	20,396	13.1
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Pizza Hut Victoria*	–	0.0	n/a	(1,581)	(10.0)
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* Pizza Hut Victoria is a discontinued operation.

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 & Administration are non store related costs.

For the period 1 March to 10 September 2007 (2008 Half Year)

Group		Group	Group
2008 Half Year		2007 Half Year	2007 Full Year
Unaudited		Unaudited	Audited
\$000		\$000	\$000
Continuing operations:			
164,107	Store sales revenue	156,217	293,646
238	Other revenue	219	415
164,345	Total operating revenue	156,436	294,061
(134,852)	Cost of goods sold	(127,948)	(239,750)
29,493	Gross profit	28,488	54,311
(2,773)	Distribution expenses	(3,372)	(5,965)
(9,903)	Marketing expenses	(10,314)	(19,329)
(6,023)	General and administrative expenses	(6,187)	(11,082)
10,794	EBIT before non-trading	8,615	17,935
(1,413)	Non-trading	(1,458)	(4,424)
9,381	Earnings before interest and taxation	7,157	13,511
19	Interest revenue	440	440
(2,655)	Interest expense	(1,761)	(3,847)
6,745	Profit before taxation	5,836	10,104
(2,262)	Taxation expense	(1,959)	(3,797)
4,483	Profit after taxation from continuing operations	3,877	6,307
Discontinued operation:			
–	Loss from discontinued operation (net of taxation)	(3,668)	(9,861)
4,483	Total profit (loss) after taxation	209	(3,554)
4.62	Basic and diluted earnings per share from continuing operations	3.99	6.49

There was no difference between basic and diluted earnings per share.

For the period 1 March to 10 September 2007 (2008 Half Year)

Group 2008 Half Year Unaudited \$000		Group 2007 Half Year Unaudited \$000	Group 2007 Full Year Audited \$000
4,483	Total profit after taxation	209	(3,554)
179	Movements in foreign currency translation reserve	402	(9)
–	Other movements in reserves	(2)	(8)
4,662	Total recognised revenues and expenses	609	(3,571)
5	Movements in reported capital	40	61
5	Total contributions from shareholders	40	61
(3,121)	Distribution of dividends to shareholders	(5,751)	(8,359)
208	Foreign investor tax credit	411	590
(2,913)	Net distribution of dividends to shareholders	(5,340)	(7,769)
1,754	Movements in equity for the period	(4,691)	(11,279)
32,631	Equity at the beginning of the period	43,910	43,910
34,385	Equity at the end of the period	39,219	32,631

As at 10 September 2007 (2008 Half Year)

Group		Group	Group
2008 Half Year		2007 Half Year	2007 Full Year
Unaudited		Unaudited	Audited
\$000		\$000	\$000
Current assets			
2,136	Inventories	2,080	2,022
2,952	Trade and other receivables	2,967	2,185
1,133	Cash	1,572	1,100
108	Assets classified as held for sale	5,108	437
6,329	Total current assets	11,727	5,744
Non-current assets			
80,155	Property, plant and equipment	77,344	82,006
30,585	Intangible assets	29,211	27,886
880	Deferred tax asset	1,538	2,098
111,620	Total non-current assets	108,093	111,990
117,949	Total assets	119,820	117,734
Current liabilities			
27,519	Creditors and accruals	29,136	26,418
815	Loans and finance leases	624	795
1,466	Liabilities classified as held for sale	3,200	3,530
29,800	Total current liabilities	32,960	30,743
Non-current liabilities			
5,020	Provisions and accruals	3,533	5,189
48,744	Bank loans and finance leases	44,108	49,171
53,764	Total non-current liabilities	47,641	54,360
83,564	Total liabilities	80,601	85,103
34,385	Total net assets	39,219	32,631
Equity			
25,622	Share capital	25,616	25,622
90	Share option reserve	79	85
281	Foreign currency translation reserve	513	102
8,392	Other reserves	13,011	6,822
34,385	Total equity	39,219	32,631

For the period 1 March to 10 September 2007 (2008 Half Year)

Group 2008 Half Year Unaudited \$000		Group 2007 Half Year Unaudited \$000	Group 2007 Full Year Audited \$000
Cash flows from operating activities			
Cash was provided by (applied to):			
169,581	Receipts from customers	172,661	320,014
(153,343)	Payments to suppliers and employees	(162,377)	(295,870)
(2,851)	Interest paid (net)	(1,398)	(3,301)
–	Income taxes paid	(6)	5
13,387	Net cash from operating activities	8,880	20,848
Cash flows from investing activities			
Cash was (applied to) provided by:			
(1,627)	Payment of franchise fees	(2,722)	(2,860)
(8,089)	Purchase of property, plant and equipment	(12,001)	(24,987)
17	Net proceeds from disposal of property, plant and equipment	46	33
(127)	Sale of discontinued operations	–	(1,851)
(9,826)	Net cash (used in) investing activities	(14,677)	(29,665)
Cash flows from financing activities			
Cash was provided by (applied to):			
–	Cash received on the exercise of options	40	46
(407)	(Decrease) increase of term bank loans and finance leases	10,976	16,192
(2,913)	Dividends paid to shareholders of the company	(5,340)	(7,769)
(208)	Supplementary dividends paid	(411)	(590)
(3,528)	Net cash (used in) from financing activities	5,265	7,879
33	Net increase (decrease) in cash held	(532)	(938)
–	Effect of exchange rate fluctuations on cash held	71	5
33	Total movements in cash balances	(461)	(933)
Reconciliation of cash balances			
1,100	Cash at beginning of the period	2,033	2,033
350	Cash on hand	376	358
783	Cash at bank	1,196	742
1,133	Cash at end of the period	1,572	1,100
33	Net increase (decrease) in cash held	(461)	(933)

RECONCILIATION OF PROFIT
AFTER TAXATION TO NET CASH FLOW
FROM OPERATING ACTIVITIES

RESTAURANT BRANDS
2008 INTERIM REPORT

For the period 1 March to 10 September 2007 (2008 Half Year)

Group 2008 Half Year Unaudited \$000		Group 2007 Half Year Unaudited \$000	Group 2007 Full Year Audited \$000
4,483	Profit after taxation	209	(3,554)
Items classified as investing/financing activities			
539	Loss on disposal of property, plant and equipment	537	1,408
127	Other non-operating costs of exiting Pizza Hut Victoria	–	1,851
666		537	3,259
Non-cash items			
6,780	Depreciation	5,695	11,062
–	Increase in provision for exit costs	–	1,362
(373)	(Decrease) in provisions	(188)	(432)
524	Amortisation of intangible assets	254	575
	Impairment of Pizza Hut Victoria property, plant and equipment and intangible assets	2,551	6,564
1,218	Decrease (increase) in deferred tax asset	(157)	(718)
–	Impairment of NZ property, plant and equipment	–	1,342
–	Impairment of Pizza Hut New Zealand goodwill	–	1,142
5	Share based payments	–	15
8,154		8,155	20,912
Movement in working capital			
(48)	(Increase) decrease in inventories	(104)	127
(788)	(Increase) decrease in trade and other receivables	(545)	435
137	Increase (decrease) in trade creditors and accruals	253	(323)
783	Decrease (increase) in income tax receivable	375	(8)
84		(21)	231
13,387	Net cash from operating activities	8,880	20,848

NOTE 1 - PROFIT BEFORE TAXATION

Group 2008 Half Year Unaudited \$000	Group 2007 Half Year Unaudited \$000	Group 2007 Full Year Audited \$000
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Profit before tax (consolidated business)

The profit before taxation is calculated after charging
(crediting) the following items:

10,023	Royalties paid	10,204	18,908
10,569	Operating lease expenses	11,451	21,190
539	Net loss on disposal of property, plant and equipment	537	1,408

Non-trading items comprise:

Continued operations

433	Store closure costs	506	1,335
1,046	Store relocation and refurbishment costs	1,022	2,075
–	Impairment of Pizza Hut NZ goodwill	–	1,142
(66)	Other revenue	(70)	(128)
1,413		1,458	4,424

Discontinued operation

–	Impairment of Pizza Hut Victoria property, plant and equipment	2,551	5,862
–	Impairment of Pizza Hut Victoria other intangibles	–	702
–	Store closure costs	163	3,371
–		2,714	9,935

**NOTES TO THE
FINANCIAL STATEMENTS**

RESTAURANT BRANDS
2008 INTERIM REPORT

NOTE 2 - ANALYSIS OF INCOME STATEMENT

For the period 1 March 2007 to 10 September 2007 (2008 Half Year)

\$000 (Unaudited)	Half Year 2008		
	Continuing Operations	Discontinued Operations	Total
Store sales revenue	164,107	4,668	168,775
Other revenue	238	–	238
Total operating revenue	164,345	4,668	169,013
Cost of goods sold	(134,852)	(4,780)	(139,632)
Gross profit	29,493	(112)	29,381
Distribution expenses	(2,773)	(263)	(3,036)
Marketing expenses	(9,903)	(324)	(10,227)
General and administrative expenses	(6,023)	(312)	(6,335)
Release of exit provision	–	1,011	1,011
EBIT before non-trading	10,794	–	10,794
Non-trading items	(1,413)	–	(1,413)
Impairment of Pizza Hut Victoria	–	–	–
EBIT	9,381	–	9,381
Net financing costs	(2,636)	–	(2,636)
Net profit (loss) before taxation	6,745	–	6,745
Taxation (expense) credit	(2,262)	–	(2,262)
Net profit (loss) after taxation	4,483	–	4,483
Net profit (loss) after taxation excluding non-trading	5,430	–	5,430
Basic and diluted earnings per share (cents)	4.62	–	4.62

Half Year 2007

Full Year 2007

Half Year 2007			Full Year 2007		
Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
156,217	15,786	172,003	293,646	25,068	318,714
219	—	219	415	—	415
156,436	15,786	172,222	294,061	25,068	319,129
(127,948)	(13,793)	(141,741)	(239,750)	(22,491)	(262,241)
28,488	1,993	30,481	54,311	2,577	56,888
(3,372)	(1,240)	(4,612)	(5,965)	(2,005)	(7,970)
(10,314)	(2,330)	(12,644)	(19,329)	(3,502)	(22,831)
(6,187)	(1,107)	(7,294)	(11,082)	(1,703)	(12,785)
—	—	—	—	—	—
8,615	(2,684)	5,931	17,935	(4,633)	13,302
(1,458)	(163)	(1,621)	(4,424)	(3,371)	(7,795)
—	(2,551)	(2,551)	—	(6,564)	(6,564)
7,157	(5,398)	1,759	13,511	(14,568)	(1,057)
(1,321)	(2)	(1,323)	(3,407)	(2)	(3,409)
5,836	(5,400)	436	10,104	(14,570)	(4,466)
(1,959)	1,732	(227)	(3,797)	4,709	912
3,877	(3,668)	209	6,307	(9,861)	(3,554)
4,850	(1,797)	3,053	9,645	(3,103)	6,542
3.99	(3.77)	0.22	6.49	(10.15)	(3.66)

**NOTES TO THE
FINANCIAL STATEMENTS**

RESTAURANT BRANDS
2008 INTERIM REPORT

NOTE 3 - BUSINESS SEGMENTS

\$000 (Unaudited)	KFC		Pizza Hut	
	2008	2007	2008	2007
Store sales revenue	106,175	95,837	40,507	44,124
Other revenue				
Total operating revenue	106,175	95,837	40,507	44,124
Segment result before non-trading	14,824	11,858	(750)	255
Segment result	14,622	10,446	(1,173)	208
Operating profit (loss) (EBIT)				
Net financing costs				
Net profit (loss) before taxation				
Income tax expense				
Net profit (loss) after taxation				
Net profit after taxation excluding non-trading				
Concept EBITDA before G&A	19,210	15,491	2,390	3,152

* All segments are continuing operations except Restaurant Brands Australia.

** Other is general and administrative support centre expenses.

Starbucks Coffee		Restaurant Brands Australia*		Other**		Consolidated		
2008	2007	2008	2007	2008	2007	Half Year 2008	Half Year 2007	Full Year 2007
17,425	16,256	4,668	15,786			168,775	172,003	318,714
				238	219	238	219	415
17,425	16,256	4,668	15,786	238	219	169,013	172,222	319,129
424	205	-	(2,229)	(3,704)	(4,158)	10,794	5,931	13,302
319	205	-	(4,942)	(4,387)	(4,158)	9,381	1,759	(1,057)
						9,381	1,759	(1,057)
						(2,636)	(1,323)	(3,409)
						6,745	436	(4,466)
						(2,262)	(227)	912
						4,483	209	(3,554)
						5,430	3,053	6,542
2,109	1,753	-	(1,581)	-	-	23,709	18,815	36,990

NOTE 4 - BASIS OF PREPARATION

These unaudited financial statements for the 28-week period ended 10 September 2007 have been prepared in accordance with 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 28 February 2007 (referred to in these statements as "2007 Full Year").

The Group (Restaurant Brands New Zealand Limited and its subsidiaries) divides its financial year into thirteen four-week periods. These interim financial statements are for the first seven periods (28 weeks) of the year ending on 10 September 2007 (2007: 28 weeks ending on 11 September 2006). The second half will be for six periods (24 weeks).

The interim financial statements presented are those of Restaurant Brands New Zealand Limited and its subsidiaries (the "Group"). Restaurant Brands New Zealand Limited is a company 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 policies on which these interim financial statements have been prepared are consistent with those applied in preparing the financial statements in the Annual Report.

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

NOTE 5 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

2008 Half Year
Unaudited
\$000

Assets classified as held for sale:

Inventories	38
Trade and other receivables	70
	108

Liabilities classified as held for sale:

Creditors and accruals	1,466
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NOTE 6 - CONTINGENCIES

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

NOTE 7 - POST BALANCE DATE EVENTS

On 12 September 2007, the Directors declared an interim dividend of 3 cents per share or \$2.9 million (2007: \$2.4 million). A supplementary dividend of 0.5294 cents per share will be paid to overseas shareholders when the dividend is paid.

NOTE 8 - CAPITAL COMMITMENTS

The Group had capital commitments totalling \$4.55 million (2007: \$4.83 million) which are not provided for in these financial statements. 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. \$25.8 million of this amount has already been expended.

NOTE 9 - EARNINGS PER SHARE

The calculation of basic earnings per share for the half year ended 10 September 2007 was based on the profit from continuing operations attributable to ordinary shareholders of \$4.483 million and the actual number of ordinary shares outstanding during the period of 97,128,956 as follows:

	Group 2008 Half Year Unaudited \$000	Group 2007 Half Year Unaudited \$000	Group 2007 Full Year Audited \$000
Profit attributable to ordinary shareholders	4,483	3,877	6,307
	000's of shares	000's of shares	000's of shares
Weighted average number of ordinary shares at 10 September 2007	97,129	97,104	97,113

There were no changes in the number of ordinary shares over the period.

Shares on Issue

As at 10 September 2007, the total number of ordinary shares on issue was 97,128,956 (2007: 97,123,163).

CORPORATE DIRECTORY**Directors:**

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

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New Zealand
Telephone: (09) 488-8700

Auditors:

KPMG

Solicitors:

Bell Gully
Harmos Horton Lusk

Bankers:

Westpac Banking Corporation
ANZ National Bank Limited

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FINANCIAL CALENDAR**Interim Dividend Paid:**

23 November 2007

Financial Year End:

28 February 2008

Annual Profit Announcement:

April 2008