

APPENDIX I (Rule 10.4)

PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT

Restaurant Brands New Zealand Limited
(Name of Listing Issuer)

For Half Year Ended 11 September 2006
(referred to in this report as the "current half year")

Preliminary **Half year** report on consolidated results (including the results for the previous corresponding half year) in accordance with Listing Rule 10.4.2. This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on **unaudited** financial statements. If the report is based on audited financial statements, any qualification made by the auditor is to be attached. The Listed Issuer *has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]		CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
		Current half year \$NZ'000	*Up/ Down %	Previous Corresponding Under NZIFRS half year \$NZ'000
1.	CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE			
1.1	OPERATING REVENUE			
	(a) Trading revenue	172,003	0.8	170,602
	(b) Other revenue	219	6.3	206
	(c) Total operating revenue	172,222	(8.4)	170,808
1.2	OPERATING (DEFICIT) SURPLUS BEFORE TAXATION	436	(91.8)	5,352
	(a) Plus (Less) taxation on operating result	(227)	(91.5)	(2,667)
1.3	OPERATING SURPLUS AFTER TAX	209	(92.2)	2,685
	(a) Extraordinary Items after tax [detail in Item 3]	-		-
	(b) Unrealised net change in value of investment properties	-		-
1.4	NET (DEFICIT) SURPLUS FOR THE PERIOD	209	(92.2)	2,685
	(a) Net (Deficit) /Surplus attributable to minority interests	-	-	-
1.5	NET SURPLUS ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	209	(92.2)	2,685

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]		*CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	
	DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/EXPENSES FOR HALF YEAR	Current half year \$NZ'000	Previous Corresponding Under NZIFRS half year \$NZ'000
2.	DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/EXPENSES FOR HALF YEAR		
2.1	INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
	(a) Interest revenue included in Item 1.1(b)	-	-
	(b) # Unusual items for separate disclosure (detail - Item 3)	1,621	481
	(c) Equity earnings [detail - Item 16]	-	-
	(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	1,323	929
	(e) Leasing and renting expenses	11,451	10,544
	(f) Depreciation	5,695	5,881
	(g) Diminution in the value of assets (other than depreciation)	1,849	-
	(h) Amortisation of goodwill	-	-
	(i) Amortisation of other intangible assets	254	277
	(j) Impairment of goodwill (detail - Item 3)	-	3,023
	(k) Impairment of other intangible assets	702	-
2.2	SUPPLEMENTARY ITEMS		
	(a) # Interest costs excluded from Item 2.1(d) and capitalised	-	-
	(b) # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles	2,722	237
	(c) Unrecognised differences between the carrying value and market value of publicly traded investments	-	-

Items marked in this way need be shown only where their inclusion as revenue or exclusion from expenses has had a material effect on reported *surplus (deficit)

		GROUP - CURRENT HALF YEAR	
	DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP	Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
	DETAILS AND COMMENTS		
	Discontinued Activities: Pizza Hut Victoria		
	Operating Revenue	15,786	15,627
	Net Interest Expense	2	(79)
	# Unusual items for separate disclosure (detail - Item 3)	-	-

Leasing and renting expenses	1,583	1,372
Depreciation and Amortisation	-	1,112
Costs from restructuring stores	163	76
Diminution in the value of assets (other than depreciation)	1,849	-
Impairment of other intangible assets	702	-
Write off of Pizza Hut Victoria Goodwill	-	3,023
Operating (Deficit) Surplus	(3,668)	(4,691)
TOTAL DISCONTINUED ACTIVITIES	(3,668)	(4,691)
Material Unusual (including Non Recurring) Items (included in 1.2)		
Description:		
Costs from restructuring various concept stores	1,458	405
TOTAL MATERIAL NON RECURRING ITEMS	1,458	405

GROUP – CURRENT HALF YEAR		
DETAILS AND COMMENTS	Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
Extraordinary Items (Ref. Item 1.3(a))		
Description:		
TOTAL EXTRAORDINARY ITEMS	nil	nil

STATEMENT OF MOVEMENTS IN EQUITY			
4.	STATEMENT OF MOVEMENTS IN EQUITY	Current half year \$NZ'000	Previous corresponding half year Under NZIFRS \$NZ'000
4.1	*NET (DEFICIT) /SURPLUS ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER	209	2,685
	(a) *Net (Deficit) /Surplus attributable to minority interest	-	-
4.2	OTHER RECOGNISED REVENUE AND EXPENSES		
	(a) * Increases (decreases) in revaluation reserves	-	-
	(b) Currency Translation Differences	402	(33)
	(c) Minority interest in other recognized revenue and expenses	-	(44)
	(d) Other	(2)	
4.3	TOTAL RECOGNISED REVENUES AND EXPENSES	609	2,608
4.4	OTHER MOVEMENTS		
	(a) Contributions by Owners	40	246
	(b) Distributions to Owners	(5,751)	(5,731)
	(c) Other	411	404
4.5	EQUITY AT BEGINNING OF HALF YEAR	43,910	48,003
4.6	EQUITY AT END OF HALF YEAR	39,219	45,530

EARNINGS PER SECURITY			
5.	EARNINGS PER SECURITY Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share	Current *half year NZ cents	Previous corresponding half year Under NZIFRS NZ cents
	(a) Basic EPS	0.22	2.77
	(b) Diluted EPS (if materially different from (a))	-	-

6.	MATERIAL ACQUISITIONS OF SUBSIDIARIES [see Note (VII) attached]:		
	(a) Name of subsidiary or group of subsidiaries	nil	nil
	(b) Percentage of ownership acquired	nil	nil
	(c) Contribution to consolidated net *Surplus (Deficit) (item 1.4)	nil	nil
	(d) Date from which such contribution has been calculated	n/a	n/a
		nil	nil

7.	MATERIAL DISPOSALS OF SUBSIDIARIES [see Note (VII) attached]:		
	(a) Name of subsidiary or group of subsidiaries	nil	nil
	(b) Contribution of subsidiaries to consolidated net *Surplus (Deficit) (item 1.4)	nil	nil
	(c) Date to which such contribution has been calculated	n/a	n/a
	(d) Contribution to consolidated net *Surplus (Deficit) (item 1.4) for the previous corresponding half year	nil	nil
	(e) Contribution to consolidated net *Surplus (Deficit) (item 1.4) from sale of subsidiary	nil	nil

8. REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer to be reported for the half year in accordance with the provisions of NZ IAS 14: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the half year report:

The group's activities during the period were the operation of quick service and take-away restaurant concepts in New Zealand and Australia. The table attached shows the analysis between continued and discontinued operations.

Analysis of Income Statement

For the period 1 March 2006 to 11 September 2006 (2007 Half Year)

(Unaudited)

	Half Yr 2007			Half Yr 2006			Full Yr 2006		
	Continuing Operations	Discontinued Operation	Total	Continuing Operations	Discontinued Operation	Total	Continuing Operations	Discontinued Operation	Total
Store sales revenue	156,217	15,786	172,003	154,975	15,627	170,602	288,763	27,589	316,352
Other revenue	219	-	219	206	-	206	389	-	389
Total operating revenue	156,436	15,786	172,222	155,181	15,627	170,808	289,152	27,589	316,741
Cost of goods sold	(127,948)	(13,793)	(141,741)	(121,178)	(13,559)	(134,737)	(226,097)	(24,214)	(250,311)
Gross profit	28,488	1,993	30,481	34,003	2,068	36,071	63,055	3,375	66,430
Distribution expenses	(3,372)	(1,240)	(4,612)	(3,991)	(1,259)	(5,250)	(6,977)	(2,234)	(9,211)
Marketing expenses	(10,314)	(2,330)	(12,644)	(11,153)	(2,001)	(13,154)	(19,288)	(3,428)	(22,716)
General and admin expenses	(6,187)	(1,107)	(7,294)	(6,620)	(1,262)	(7,882)	(11,694)	(2,218)	(13,912)
EBIT before non trading	8,615	(2,684)	5,931	12,239	(2,454)	9,785	25,096	(4,505)	20,591
Non trading items	(1,458)	(163)	(1,621)	(405)	(76)	(481)	(1,935)	(167)	(2,102)
Impairment of Pizza Hut Victoria	-	(2,551)	(2,551)	-	(3,023)	(3,023)	-	(7,115)	(7,115)
EBIT	7,157	(5,398)	1,759	11,834	(5,553)	6,281	23,161	(11,787)	11,374
Net Funding costs	(1,321)	(2)	(1,323)	(1,008)	79	(929)	(2,395)	85	(2,310)
Net profit (loss) before taxation	5,836	(5,400)	436	10,826	(5,474)	5,352	20,766	(11,702)	9,064
Taxation (expense) credit	(1,959)	1,732	(227)	(3,450)	783	(2,667)	(6,684)	2,817	(3,867)
Net profit (loss) after taxation	3,877	(3,668)	209	7,376	(4,691)	2,685	14,082	(8,885)	5,197
Net profit (loss) after taxation excl non trading	4,850	(1,797)	3,053	7,604	(1,619)	5,985	15,316	(2,990)	12,326
Basic and diluted Earnings per share	3.99	(3.77)	0.22	7.61	(4.84)	2.77	14.52	(9.16)	5.36

[Note (VIII) attached has particular relevance for the preparation of this statement]		CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
		At end of current half year \$NZ'000	As shown in last Annual Report under NZIFRS \$NZ'000	If half yearly as shown in last Half Yearly Report under NZIFRS \$NZ'000
9.	CURRENT ASSETS			
	(a) Cash	1,572	2,033	1,777
	(b) Trade receivables	209	237	1,140
	(c) Investments	-	-	-
	(d) Inventories	2,080	2,253	2,281
	(e) Other assets, current	2,758	2,114	3,287
	Assets classified as held for sale	5,108	-	-
	TOTAL CURRENT ASSETS	11,727	6,637	8,485
9.1	NON-CURRENT ASSETS			
	(a) Trade receivables	-	-	-
	(b) Investments	-	-	-
	(c) Inventories	-	-	-
	(d) Property, plant and equipment	77,344	73,269	74,235
	(e) Goodwill	23,839	23,839	23,839
	(f) Deferred Taxation Assets	1,538	1,380	-
	(g) Other Intangible Assets	5,372	3,565	3,712
	(h) Other assets, non current	-	-	-
9.2	TOTAL NON- CURRENT ASSETS	108,093	102,053	101,786
9.3	TOTAL ASSETS	119,820	108,690	110,271
9.4	CURRENT LIABILITIES			
	(a) Trade Creditors	13,110	11,800	16,295
	(b) Income in advance, current	1,074	926	923
	(c) Secured loans	-	-	-
	(d) Unsecured loans	-	-	-
	(e) Provisions, current	742	1,062	496
	(f) Other liabilities, current	14,834	14,326	13,948
	Liabilities classified as held for sale	3,200	-	-
	TOTAL CURRENT LIABILITIES	32,960	28,114	31,662
9.5	NON- CURRENT LIABILITIES			
	(a) Accounts payable, non-current	-	-	-
	(b) Secured loans	43,385	32,365	29,010
	(c) Unsecured loans	723	735	81
	(d) Provisions, non-current	-	-	-
	(e) Deferred Taxation Liability, non-current	-	-	29
	(f) Other liabilities, non-current	3,533	3,566	3,956
9.6	TOTAL NON-CURRENT LIABILITIES	47,641	36,666	33,079
9.7	TOTAL LIABILITIES	80,601	64,780	64,741
9.8	NET ASSETS	39,219	43,910	45,530
9.9	SHAREHOLDERS' EQUITY			
	(a) Share capital (optional)	25,616	25,576	25,543
	(b) Reserves (optional)			
		(i) Revaluation reserve	-	-
		(ii) Other reserves	592	186
	(c) Retained Surplus (accumulated Deficit) (optional)	13,011	18,148	19,961
9.10	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER			
	(a) Minority equity interests in subsidiaries	-	-	-
9.11	TOTAL SHAREHOLDERS' EQUITY	39,219	43,910	45,530
	(a) Returns on Assets (%) (EBIT divided by Total Assets)	1.47%	10.46%	5.70%
	(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	0.53%	11.84%	5.90%
	(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	205.52%	147.53%	142.19

		CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF YEAR	
		Current half year \$NZ'000	Previous corresponding half year Under NZIFRS \$NZ'000
10.	CASH FLOWS RELATING TO OPERATING ACTIVITIES		
	(a) Receipts from customers	172,661	172,127
	(b) Interest received	444	108
	(c) Dividends received	-	-
	(d) Payment to suppliers and employees	(162,377)	(155,792)
	(e) Interest paid	(1,842)	(1,206)
	(f) Income taxes paid	(6)	(1,792)
	(g) Other cash flows relating to operating activities	-	-
	NET OPERATING CASH FLOWS	8,880	13,445

11.	CASH FLOWS RELATED TO INVESTING ACTIVITIES	Current half year \$NZ'000	Previous corresponding half year Under NZIFRS \$NZ'000
	(a) Cash proceeds from sale of property, plant and equipment	46	95
	(b) Cash proceeds from sale of equity investments	-	-
	(c) Loans repaid by other entities	-	-
	(d) Cash paid for purchases of property, plant and equipment	(11,862)	(9,349)
	(e) Interest paid - capitalised	-	-
	(f) Cash paid for purchases of equity investments	-	-
	(g) Loans to other entities	-	-
	(h) Other cash flows relating to investing activities	(2,861)	(237)
	NET INVESTING CASH FLOWS	(14,677)	(9,491)

12.	[See Note (IX) attached] CASH FLOWS RELATED TO FINANCING ACTIVITIES	Current half year \$NZ'000	Previous corresponding half year Under NZIFRS \$NZ'000
	(a) Cash proceeds from issue of shares, options, etc	40	246
	(b) Borrowings	10,976	1,665
	(c) Repayment of borrowings	-	-
	(d) Dividend paid	(5,751)	(5,731)
	(e) Other cash flows relating to financing activities	-	-
	NET FINANCING CASH FLOWS	5,265	(3,820)

13.	[See Note (IX) attached] NET INCREASE (DECREASE) IN CASH HELD	Current half year \$NZ'000	Previous corresponding half year Under NZIFRS \$NZ'000
		(532)	134
	(a) Cash at beginning of half year	2,033	1,642
	(b) Exchange rate adjustments	71	1
	(c) Cash at end of half year	1,572	1,777
14.	NON-CASH FINANCING AND INVESTING ACTIVITIES		

Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows.

Impairment of Pizza Hut Victoria fixed assets and franchise fees \$2,551, (2005 Pizza Hut Victoria goodwill : \$3,023).

15.	RECONCILIATION OF CASH	Current half year \$NZ'000	Previous corresponding half year Under NZIFRS \$NZ'000
	For the purposes of the above statement of cash flows, cash includes		
	Cash at the end of the half year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:		
	Cash on hand and at bank	1,572	1,777
	Deposits at call	-	-
	Bank overdraft	-	-
	Other (provide details eg. Term Deposits)	-	-
	TOTAL = CASH AT END OF HALF YEAR [Item 13(c)]	1,572	1,777

16.	EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES	EQUITY ACCOUNTED EARNINGS FROM ASSOCIATES	
	Information attributable to the reporting group's share of investments in associates and other material interests to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).	Current half year \$NZ'000	Previous corresponding half year \$NZ'000
16.1	GROUP SHARE OF RESULTS OF ASSOCIATES		
	(a) OPERATING *SURPLUS (DEFICIT) BEFORE TAX	nil	nil
	(b) Less Tax	nil	nil
	(c) OPERATING *SURPLUS (DEFICIT) AFTER TAX	nil	nil
	(i) Extraordinary items	nil	nil
	(d) NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX	nil	nil
16.2	MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES		
	(a) THE GROUP HAS A MATERIAL (FROM GROUP'S VIEWPOINT) INTEREST IN THE FOLLOWING CORPORATIONS:		

Name	Percentage of ordinary shares held at end of half year		Contribution to net surplus (deficit) (item 1.5)	
	Current half year	Previous corresponding half year	Current half year \$NZ'000	Previous corresponding half year \$NZ'000
EQUITY ACCOUNTED ASSOCIATES				
			Equity Accounted In Current Year	
	nil	nil	nil	nil
OTHER MATERIAL INTERESTS			Not Equity Accounted In Current Year	

		EQUITY ACCOUNTED EARNINGS FROM ASSOCIATES	
		Current half year \$NZ'000	Previous corresponding half year \$NZ'000
(b)	INVESTMENT IN ASSOCIATES		
	Carrying value of investments in associates at beginning of half year	nil	nil
	Share of changes in associates' post acquisition surpluses/and reserves:	nil	nil
	- Retained surplus	nil	nil
	- Reserves	nil	nil
	Net goodwill amortisation and impairment adjustments in the period	nil	nil
	Less Dividends received in the period	nil	nil
	Equity carrying value of investments at the end of half year	nil	nil
	Amount of goodwill included in the carrying value at end of that half year		

17. ISSUED AND QUOTED SECURITIES AT END OF CURRENT HALF YEAR							
Category of Securities	Issued	Number	Quoted	Number	Cents	Paid-Up Value (if not fully paid)	
PREFERENCE SHARES:							
#(Description)							
Issued during current half year	-	-	-	-	-	-	-
ORDINARY SHARES							
Balance as at 28/02/06	97,081,875		97,081,875				
Issued during current half year	41,288		41,288				
Balance as at 11/09/06	97,123,163		97,123,163				
CONVERTIBLE NOTES							
# (Description)							
Issued during current half year	-	-	-	-	-	-	-

OPTIONS:					
				Exercise Price	Expiry Date
Senior Executives (issued 1/7/97)		852,271	-	\$2.42	30/6/07
Staff Sharegrowth Scheme (issued 22/8/97)		546,213	-	\$2.20	30/6/07
(forfeited)		(378,284)			
Balance 22/8/97 options unexercised at 11/09/06		167,929			
Staff Sharegrowth Scheme (issued 31/8/98)		1,318,062	-	\$0.94	30/6/08
(exercised 1999)		(2,448)			
(exercised 2000)		(20,430)			
(exercised 2001)		(124,256)			
(exercised 2002)		(169,160)			
(exercised 2003)		(61,869)			
(exercised 2004)		(66,198)			
(exercised 2005)		(30,264)			
(exercised 2006)		(19,603)			
(forfeited)		(646,472)			
Balance 31/8/98 options unexercised at 11/09/06		177,362			

Staff Sharegrowth Scheme (issued 15/9/99)	1,078,467	-	\$1.32	30/6/09
(exercised 2001)	(62,099)			
(exercised 2002)	(103,896)			
(exercised 2003)	-			
(exercised 2004)	-			
(exercised 2005)	(37,233)			
(exercised 2006)	-			
(forfeited)	(608,045)			
Balance 15/9/99 options unexercised as at 11/09/06	267,194			
Staff Sharegrowth Scheme (issued 11/9/00)	1,494,368	-	\$1.05	30/6/10
(exercised 2001)	(51,122)			
(exercised 2002)	(123,148)			
(exercised 2003)	(54,743)			
(exercised 2004)	(82,730)			
(exercised 2005)	(95,590)			
(exercised 2006)	(20,052)			
(forfeited)	(746,967)			
Balance 11/9/00 options unexercised as at 11/09/06	320,016			
Staff Sharegrowth Scheme (issued 12/9/01)	1,010,122	-	\$1.50	30/6/11
(exercised 2002)	(40,816)			
(exercised 2003)	-			
(exercised 2004)	-			
(exercised 2005)	(35,202)			
(exercised 2006)	-			
(forfeited)	(553,350)			
Balance 12/09/01 options unexercised as at 11/09/06	380,754			
Staff Sharegrowth Scheme (issued 13/9/02)	905,128	-	\$1.85	30/6/12
(exercised 2002)	-			
(exercised 2003)	-			
(exercised 2004)	-			
(exercised 2005)	-			
(exercised 2006)	-			
(forfeited)	(523,023)			
Balance 13/09/02 options unexercised as at 11/09/06	382,105			
Staff Sharegrowth Scheme (issued 23/9/03)	1,228,423	-	\$1.39	30/6/13
(exercised 2003)	-			
(exercised 2004)	-			
(exercised 2005)	(34,486)			
(exercised 2006)	-			
(forfeited)	(579,197)			
Balance 23/09/03 options unexercised as at 11/09/06	614,740			
Issued during current half year	nil			
DEBENTURES – Total only:		\$		
UNSECURED NOTES – Totals only:		\$		
OTHER SECURITIES		\$	\$	

Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

18.	COMMENTS BY DIRECTORS If no report in any section, state NIL. If insufficient space below, provide details in the pages attached to this report.
(a)	Material factors affecting the revenues and expenses of the group for the current half year <u>Refer attached report.</u>
(b)	Significant trends or events since end of current half year <u>Refer attached report.</u>
(c)	Changes in accounting policies since last Annual Report and/ or last Half Yearly Report to be disclosed <u>Refer attached report.</u>
(d)	Critical Accounting Policies – Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain
(e)	Management's discussion and analysis of financial condition, result, and/or operations (optional) – this section should contain forward looking statements that should outline where these involved risk and uncertainty. <u>Refer attached report.</u>
(f)	Other Comments <u>Refer attached report.</u>

19.	DIVIDEND
(a)	Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share) <u>N/A</u>
(b)	Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share) <u>N/A</u>

20.	ANNUAL MEETING (If full year report)
(a)	To be held at <u>N/A</u>
(b)	Date _____ Time _____
(c)	Approximate date of availability of Annual Report _____
If this half year report was approved by resolution of the Board of Directors, please indicate date of meeting <u>11 October 2006</u>	



11 October 2006

(Signed by) Authorised Officer of Listed Issuer – G R Ellis