

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the 28 week period ended 14 September 2015 (2016 Half Year)**

Group	Note	2016 Half Year	2015 Half Year	2015 Full Year
		(28 weeks)	(28 Weeks)	(53 weeks)
\$NZ000's		Unaudited	Unaudited	Audited
Store sales revenue		210,012	185,667	359,528
Other revenue		8,392	6,376	13,075
<b>Total operating revenue</b>		<b>218,404</b>	<b>192,043</b>	<b>372,603</b>
Cost of goods sold		(178,862)	(157,148)	(304,190)
<b>Gross profit</b>		<b>39,542</b>	<b>34,895</b>	<b>68,413</b>
Distribution expenses		(1,287)	(1,347)	(2,321)
Marketing expenses		(10,830)	(9,436)	(18,892)
General and administration expenses		(8,696)	(7,814)	(15,105)
<b>EBIT before non-trading</b>		<b>18,729</b>	<b>16,298</b>	<b>32,095</b>
Non-trading	<b>1</b>	250	(206)	1,328
<b>Earnings before interest and taxation (EBIT)</b>		<b>18,979</b>	<b>16,092</b>	<b>33,423</b>
Interest revenue		-	1	2
Interest expense		(616)	(434)	(963)
Net financing expenses		(616)	(433)	(961)
<b>Profit before taxation</b>		<b>18,363</b>	<b>15,659</b>	<b>32,462</b>
Taxation expense		(4,953)	(4,164)	(8,632)
<b>Total profit after taxation attributable to shareholders</b>		<b>13,410</b>	<b>11,495</b>	<b>23,830</b>
<b>Items that may be reclassified subsequently to the Statement of Comprehensive Income</b>				
Derivative hedging reserve		(97)	(63)	(207)
Income tax relating to components of other comprehensive income		27	18	58
<b>Other comprehensive loss for the half year, net of tax</b>		<b>(70)</b>	<b>(45)</b>	<b>(149)</b>
<b>Total comprehensive income for the half year attributable to shareholders</b>				
		<b>13,340</b>	<b>11,450</b>	<b>23,681</b>
<b>Basic and diluted earnings per share (cents)</b>	<b>4</b>	<b>13.70</b>	<b>11.75</b>	<b>24.35</b>

**STATEMENT OF CHANGES IN EQUITY**  
**For the 28 week period ended 14 September 2015 (2016 Half Year)**

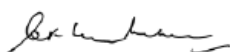
Group \$NZ000's	Share Capital	Foreign Currency Translation Reserve	Derivative Hedging Reserve	Retained Earnings	Total
<b>For the 53 week period ended 2 March 2015</b>					
Balance at the beginning of the period	26,756	53	-	37,847	64,656
<b>Comprehensive income</b>					
Profit after taxation attributable to shareholders	-	-	-	11,495	11,495
<b>Other comprehensive income</b>					
Movement in derivative hedging reserve	-	-	(45)	-	(45)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(45)</b>	<b>11,495</b>	<b>11,450</b>
<b>Transactions with owners</b>					
Net dividends distributed	-	-	-	(9,787)	(9,787)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,787)</b>	<b>(9,787)</b>
<b>Unaudited balance as at 8 September 2014</b>	<b>26,756</b>	<b>53</b>	<b>(45)</b>	<b>39,555</b>	<b>66,319</b>
<b>Comprehensive income</b>					
Profit after taxation attributable to shareholders	-	-	-	12,335	12,335
<b>Other comprehensive income</b>					
Movement in derivative hedging reserve	-	-	(104)	-	(104)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(104)</b>	<b>12,335</b>	<b>12,231</b>
<b>Transactions with owners</b>					
Net dividends distributed	-	-	-	(7,340)	(7,340)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,340)</b>	<b>(7,340)</b>
<b>Audited balance at the end of the period</b>	<b>26,756</b>	<b>53</b>	<b>(149)</b>	<b>44,550</b>	<b>71,210</b>
<b>For the 28 week period ended 14 September 2015</b>					
Balance at the beginning of the period	26,756	53	(149)	44,550	71,210
<b>Comprehensive income</b>					
Profit after taxation attributable to shareholders	-	-	-	13,410	13,410
<b>Other comprehensive income</b>					
Movement in derivative hedging reserve	-	-	(70)	-	(70)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(70)</b>	<b>13,410</b>	<b>13,340</b>
<b>Transactions with owners</b>					
Net dividends distributed	-	-	-	(11,255)	(11,255)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,255)</b>	<b>(11,255)</b>
<b>Unaudited balance at the end of the period</b>	<b>26,756</b>	<b>53</b>	<b>(219)</b>	<b>46,705</b>	<b>73,295</b>

**STATEMENT OF FINANCIAL POSITION**

As at 14 September 2015 (2016 Half Year)

<b>Group</b>	2016 Half Year	2015 Half Year	2015 Full Year
\$NZ000's	Unaudited	Unaudited	Audited
<b>Non-current assets</b>			
Property, plant and equipment	98,772	84,456	100,300
Intangible assets	20,446	18,738	21,060
Deferred tax asset	5,455	4,044	4,933
<b>Total non-current assets</b>	<b>124,673</b>	<b>107,238</b>	<b>126,293</b>
<b>Current assets</b>			
Inventories	9,493	7,647	9,475
Trade receivables	441	311	373
Other receivables	3,539	3,159	6,889
Cash and cash equivalents	1,132	875	1,575
Assets classified as held for sale	-	2,490	-
<b>Total current assets</b>	<b>14,605</b>	<b>14,482</b>	<b>18,312</b>
<b>Total assets</b>	<b>139,278</b>	<b>121,720</b>	<b>144,605</b>
<b>Equity attributable to shareholders</b>			
Share capital	26,756	26,756	26,756
Reserves	(166)	8	(96)
Retained earnings	46,705	39,555	44,550
<b>Total equity attributable to shareholders</b>	<b>73,295</b>	<b>66,319</b>	<b>71,210</b>
<b>Non-current liabilities</b>			
Provisions and deferred income	6,445	3,941	6,033
Loans and finance leases	8,535	63	22,556
<b>Total non-current liabilities</b>	<b>14,980</b>	<b>4,004</b>	<b>28,589</b>
<b>Current liabilities</b>			
Income tax payable	1,729	1,721	3,422
Loans and finance leases	40	5,580	112
Creditors and accruals	47,548	42,688	39,556
Provisions and deferred income	1,381	1,345	1,509
Derivative financial instruments	305	63	207
<b>Total current liabilities</b>	<b>51,003</b>	<b>51,397</b>	<b>44,806</b>
<b>Total liabilities</b>	<b>65,983</b>	<b>55,401</b>	<b>73,395</b>
<b>Total equity and liabilities</b>	<b>139,278</b>	<b>121,720</b>	<b>144,605</b>

For and on behalf of the Board:

E K van Arkel  
ChairmanH W Stevens  
Director

**STATEMENT OF CASH FLOWS**

For the 28 week period ended 14 September 2015 (2016 Half Year)

<b>Group</b>	2016 Half Year	2015 Half Year	2015 Full Year
	(28 weeks)	(28 weeks)	(53 weeks)
\$NZ000's	Unaudited	Unaudited	Audited
<b>Cash flows from operating activities</b>			
Cash was provided by / (applied to):			
Receipts from customers	218,336	191,732	372,230
Payments to suppliers and employees	(180,327)	(161,428)	(325,402)
Interest paid (net)	(503)	(480)	(1,044)
Payment of income tax	(7,140)	(5,972)	(9,159)
<b>Net cash from operating activities</b>	<b>30,366</b>	<b>23,852</b>	<b>36,625</b>
<b>Cash flows from investing activities</b>			
Cash was (applied to) / provided by:			
Acquisition of business	-	-	(10,388)
Payment for intangibles	(481)	(1,494)	(2,836)
Purchase of property, plant and equipment	(8,588)	(13,212)	(28,184)
Proceeds from disposal of property, plant and equipment	800	3,440	8,384
Landlord contributions received	2,808	-	-
<b>Net cash used in investing activities</b>	<b>(5,461)</b>	<b>(11,266)</b>	<b>(33,024)</b>
<b>Cash flows from financing activities</b>			
Cash was provided by / (applied to):			
(Decrease) / increase in loans	(14,015)	(2,610)	14,490
Decrease in finance leases	(78)	(84)	(159)
Dividends paid to shareholders	(11,255)	(9,787)	(17,127)
<b>Net cash used in financing activities</b>	<b>(25,348)</b>	<b>(12,481)</b>	<b>(2,796)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(443)</b>	<b>105</b>	<b>805</b>
<b>Reconciliation of cash and cash equivalents</b>			
<b>Cash and cash equivalents at the beginning of the period:</b>	<b>1,575</b>	<b>770</b>	<b>770</b>
<b>Cash and cash equivalents at the end of the period:</b>			
Cash on hand	221	209	222
Cash at bank	911	666	1,353
	<b>1,132</b>	<b>875</b>	<b>1,575</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(443)</b>	<b>105</b>	<b>805</b>

**STATEMENT OF CASH FLOWS (continued)**  
**For the 28 week period ended 14 September 2015 (2016 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.

<b>Group</b>	2016 Half Year (28 weeks)	2015 Half Year (28 weeks)	2015 Full Year (53 weeks)
\$NZ000's	Unaudited	Unaudited	Audited
<b>Total profit after taxation attributable to shareholders</b>	<b>13,410</b>	<b>11,495</b>	<b>23,830</b>
<b>Less items classified as investing / financing activities:</b>			
Gain on disposal of property, plant and equipment	(715)	(505)	(2,598)
	<b>(715)</b>	<b>(505)</b>	<b>(2,598)</b>
<b>Add / (less) non-cash items:</b>			
Depreciation	8,984	7,800	15,008
Disposal of goodwill	137	264	283
(Decrease) / increase in provisions	(272)	(46)	225
Amortisation of intangible assets	932	861	1,628
Write-off of franchise fees	26	5	23
Impairment on property, plant and equipment	2	287	94
Net increase in deferred tax asset	(522)	(821)	(1,223)
Change in fair value of derivative financial instruments	98	57	(6)
Decrease in derivative hedging reserve	(97)	(63)	-
Tax effect of derivative financial instruments	27	18	-
	<b>9,315</b>	<b>8,362</b>	<b>16,032</b>
<b>Add / (less) movement in working capital:</b>			
Increase in inventories	(18)	(6,060)	(7,888)
Increase in trade receivables	(68)	(311)	(373)
Decrease / (increase) in other debtors and prepayments	1,050	(1,409)	(4,992)
Increase in trade creditors and other payables	9,085	13,285	11,918
(Decrease) / increase in income tax payable	(1,693)	(1,005)	696
	<b>8,356</b>	<b>4,500</b>	<b>(639)</b>
<b>Net cash from operating activities</b>	<b>30,366</b>	<b>23,852</b>	<b>36,625</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the 28 week period ended 14 September 2015 (2016 Half Year)

### 1. Profit before taxation

Group	2016 Half Year (28 weeks) Unaudited	2015 Half Year (28 weeks) Unaudited	2015 Full Year (53 weeks) Audited
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\$NZ000's

#### Profit before taxation

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

Royalties paid	12,292	10,941	21,156
Operating lease expenses	11,202	10,064	19,476
Gain on disposal of property, plant and equipment	(715)	(505)	(2,598)

#### Non-trading items comprise:

Gain on sale of stores			
Net sale proceeds	442	510	1,155
Property, plant and equipment disposed of	(70)	(97)	(156)
Goodwill disposed of	(137)	(264)	(283)
	<hr/>	<hr/>	<hr/>
	235	149	716
Gain on sale and leaseback of stores	-	90	916
Other store closure costs (including franchise fees written off)	(31)	(269)	(329)
Other store relocation and refurbishment costs	14	(110)	(332)
Other store relocation and refurbishment - insurance proceeds	34	223	563
Impairment on property, plant and equipment	(2)	(287)	(94)
Other	-	(2)	(112)
<b>Total non-trading items</b>	<hr/> <b>250</b>	<hr/> <b>(206)</b>	<hr/> <b>1,328</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the 28 week period ended 14 September 2015 (2016 Half Year)**

**2. Business segments**

	KFC		Pizza Hut		Starbucks Coffee		Carl's Jr.		All other segments *		Consolidated Half Year (28 Weeks) Unaudited	Consolidated Half Year (28 Weeks) Unaudited	Consolidated Full Year (53 Weeks) Audited
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2015
\$NZ000's													
Store sales revenue	153,171	137,107	24,543	26,486	13,910	13,228	18,388	8,846	-	-	210,012	185,667	359,528
Other revenue	-	-	-	-	-	-	-	-	8,392	6,376	8,392	6,376	13,075
<b>Total operating revenue **</b>	<b>153,171</b>	<b>137,107</b>	<b>24,543</b>	<b>26,486</b>	<b>13,910</b>	<b>13,228</b>	<b>18,388</b>	<b>8,846</b>	<b>8,392</b>	<b>6,376</b>	<b>218,404</b>	<b>192,043</b>	<b>372,603</b>
<b>Concept EBITDA before general and administration expenses</b>	<b>30,855</b>	<b>26,198</b>	<b>2,836</b>	<b>3,271</b>	<b>2,193</b>	<b>2,052</b>	<b>96</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>35,980</b>	<b>31,606</b>	<b>61,548</b>
Depreciation	(6,036)	(5,517)	(566)	(682)	(451)	(480)	(1,596)	(807)	(335)	(314)	(8,984)	(7,800)	(15,008)
Loss on sale of property, plant and equipment (included in depreciation)	-	(4)	-	-	-	-	-	-	-	-	-	(4)	-
Amortisation (included in cost of sales)	(395)	(385)	(148)	(170)	(56)	(29)	(101)	(80)	(232)	(197)	(932)	(861)	(1,628)
G&A - area managers, general managers and support centre	(867)	(1,125)	(394)	(497)	(198)	(160)	(290)	(233)	(5,586)	(4,628)	(7,335)	(6,643)	(12,817)
<b>EBIT before non-trading</b>	<b>23,557</b>	<b>19,167</b>	<b>1,728</b>	<b>1,922</b>	<b>1,488</b>	<b>1,383</b>	<b>(1,891)</b>	<b>(1,035)</b>	<b>(6,153)</b>	<b>(5,139)</b>	<b>18,729</b>	<b>16,298</b>	<b>32,095</b>
Impairment on property, plant and equipment	(23)	15	43	-	(22)	(225)	-	(77)	-	-	(2)	(287)	(94)
Other non-trading	38	(290)	237	160	-	118	(23)	93	-	-	252	81	1,422
<b>EBIT after non-trading</b>	<b>23,572</b>	<b>18,892</b>	<b>2,008</b>	<b>2,082</b>	<b>1,466</b>	<b>1,276</b>	<b>(1,914)</b>	<b>(1,019)</b>	<b>(6,153)</b>	<b>(5,139)</b>	<b>18,979</b>	<b>16,092</b>	<b>33,423</b>
<b>EBIT after non-trading</b>											<b>18,979</b>	<b>16,092</b>	<b>33,423</b>
Net financing costs											(616)	(433)	(961)
<b>Net profit before taxation</b>											<b>18,363</b>	<b>15,659</b>	<b>32,462</b>
Income tax expense											(4,953)	(4,164)	(8,632)
<b>Net profit after taxation</b>											<b>13,410</b>	<b>11,495</b>	<b>23,830</b>
(Deduct) / add back non-trading items											(250)	206	(1,328)
Taxation (credit) / expense on non-trading items											(67)	(199)	21
<b>Net profit after taxation excluding non-trading</b>											<b>13,093</b>	<b>11,502</b>	<b>22,523</b>
Segment assets	74,799	68,511	15,744	14,040	4,796	3,669	27,888	15,785	5,484	8,836	128,711	110,841	130,835
Unallocated assets											10,567	10,879	13,770
<b>Total assets</b>											<b>139,278</b>	<b>121,720</b>	<b>144,605</b>

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

\*\* All operating revenue is from external customers.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the 28 week period ended 14 September 2015 (2016 Half Year)**

**3. Basis of preparation**

These unaudited financial statements for the 28 week period ended 14 September 2015 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 53 week period ended 2 March 2015 (referred to in these statements as “2015 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 2015 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 ended on 14 September 2015 (2015:28 weeks ended on 8 September 2014). The second half will be for 6 periods (24 weeks). The prior full year comparative represents the 53 week period ended 2 March 2015 (2015 Full Year).

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*

- *NZ IFRS 15 Revenue from contracts with customers* (effective for periods beginning on or after 1 January 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 ‘Revenue’ and NZ IAS 11 ‘Construction contracts’ and related interpretations. The Group intends to adopt NZ IFRS 15 on its effective date and is currently assessing its full impact.
- *NZ IFRS 9 Financial Instruments* (effective for periods beginning on or after 1 January 2018) addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets; amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The Group intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact.

There are various other standards, amendments and interpretations which were assessed as having an immaterial impact on the Group.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the 28 week period ended 14 September 2015 (2016 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.

<b>Group</b>	2016 Half Year Unaudited	2015 Half Year Unaudited	2015 Full Year Audited
<b>Basic and diluted earnings per share</b>			
Profit after taxation attributable to shareholders (\$NZ000's)	13,410	11,495	23,830
Weighted average number of ordinary shares on issue (thousands)	97,871	97,871	97,871
Basic and diluted earnings per share (cents)	13.70	11.75	24.35

**Shares on issue**

As at 14 September 2015, the total number of ordinary shares on issue was 97,871,090 (2015: 97,871,090).

**5. Property, plant and equipment**

*Acquisitions and disposals*

During the half year ended 14 September 2015, the Group acquired assets with a total cost of \$7.5 million (2015: \$15.5 million) and disposed of assets with a total cost of \$3.2 million (2015: \$3.8 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 \$0.3 million (2015: \$0.2 million) from Barker Fruit Processors Limited, a company of which Company director Suzanne Helen Suckling was chairman. There was \$59,000 owing at balance date (2015: \$24,000 owing). Suzanne retired as chairman and director of Barker Fruit Processors Limited on 2 September 2015.
- Acquired services totalling \$10,000 (2015: \$7,500) from AsureQuality Limited, a company of which Company director Hamish William Stevens is a director. There was \$3,400 owing at balance date (2015: \$2,800 owing).
- On 11 December 2014 David Alan Pilkington resigned as director of Restaurant Brands Group. David is a director of Hellers Limited. For the 28 week period ended 8 September 2014 the Group purchased \$2.1 million in stock and \$0.4 million was owed as at that date.

These transactions were performed on normal commercial terms.

*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 \$1.8 million (2015: \$1.3 million) and other long-term benefits of \$14,000 (2015: \$11,000).

Fees paid to directors for the period were \$0.2 million (2015: \$0.2 million).

*Long Term Incentive Scheme*

On 28 July 2014 the Group entered into a long term incentive scheme with the Chief Executive Officer ("CEO"). The scheme provides that if in the two year period starting 25 July 2015:

1. the Group's share price is at \$4 or above for a continuous period of 40 trading days or;
2. the Group is subject to a successful takeover at or above \$4 share price

Then the CEO will be paid a one-off \$1 million bonus net of tax. A condition of the payment is that the CEO must remain employed for a period of a least 6 months immediately following the eligibility criteria being met.

The directors believe it remains likely that the conditions will be met during the eligibility period. The fair value of the liability at balance date was assessed at \$0.5 million (2015: nil). A \$0.2 million charge (2015: nil) has been taken up in general and administration expenses in the statement of comprehensive income.

#### **7. Capital commitments**

The Group had capital commitments totalling \$6.7 million (2015: \$10.6 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 8.5 cents per share (2015: 7.5 cents) or \$8.3 million (2015: \$7.3 million). A supplementary dividend of 1.5 cents per share will be paid to overseas shareholders when the dividend is paid.