AmRest Holdings Spółka Europejska

Registered auditor's report on the audit of the financial statements for the year from 1 January to 31 December 2015

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Registered auditor's report on the audit of the financial statements for the year from 1 January to 31 December 2015 to the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings Spółka Europejska

This report contains 9 consecutively numbered pages and consists of:

pwc

I. General information about the Company

a. AmRest Holdings Spółka Europejska ("the Parent Company") has its seat in Wroclaw, pl. Grunwaldzki 25-27.

b. AmRest Holdings Spółka Europejska was established in the Netherlands in October 2000 as joint-stock company. On 19 September 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europeae) and of its name to AmRest Holdings Spółka Europejska. On 22 December 2008, the Company was entered in the Register of Businesses maintained by the District Court for Wrocław-Fabryczna VI Business Department of the National Court Register, with the reference number KRS 0000320252. The Court also registered the amendments to the Company's Articles of Association relating to the Company's registered office being moved to Poland.

c. On 16 January 2009 the Company was assigned a tax identification number (NIP) 101-00-02-998 for the purpose of making tax settlements. On 5 January 2009 the Company was assigned a REGON number 020891041 for statistical purposes.

d. As at 31 December 2015, and at the report signing date, the Company's share capital amounted to EUR 212.138,93 and consisted of 21.213.893 shares, with a nominal value of EUR 0.01 each. Total equity as at that date was positive and amounted to PLN 800.728 thousand.

e. As at 31 December 2015, and at the report signing date, the Parent Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN'000)	Type of shares held	Votes (%)
FCapital Dutch B.V.	6.726.790	227	ordinary	31,71
Nationale-Nederlanden Otwarty Fundusz Emerytalny	2.539.429	85	ordinary	11,97
PZU Powszechne Towarzystwo Emerytalne*	2.779.734	94	ordinary	13,10
Aviva Otwarty Fundusz Emerytalny	2.100.000	71	ordinary	9,90
Others	7.067.940	237	ordinary	33,32
	21.213.893	**714**		**100,00**

* at the date of signing the report PZU PTE shareholder held 2.120.901 shares entitling to 10 % participate in AGM and the share of Others in the Company shareholding structure was 36,42%.

I. General information about the Company (cont).

As at 31 December 2014, the Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN '000)	Type of shares held	Votes (%)
WP Holdings VII B.V.	6.726.790	227	ordinary	31,71
ING Otwarty Fundusz Emerytalny	4.000.000	135	ordinary	18,86
PZU Powszechne Towarzystwo Emerytalne	3.000.000	101	ordinary	14,14
Aviva Otwarty Fundusz Emerytalny	2.110.000	71	ordinary	9,95
Others	5.377.103	180	ordinary	25,34
	21.213.893	**714**		**100,00**

f. In the audited year, the Company engaged mainly in holding operations, having shares in the following subsidiaries:

- AmRest Sp. z o.o. (Poland);
- AmRest s.r.o (Czech Republic);
- AmRest EOOD (Bulgaria);
- AmRest Acquisition Subsidiary, Inc. (USA);
- AmRest HK Limited (China);
- Blue Horizon Hospitality Group PTE Ltd. (China),the entity formed Group, which includes companies located mainly in China;
- AmRest FSVC, LLC (USA).

g. During the audited year, the Management Board of the Parent Company comprised:

• Mark Chandler	Board Member;	
• Drew O'Malley	Board Member;	
• Wojciech Mroczyński	Board Member;	
• Jacek Trybuchowski	Board Member;	
• Oksana Staniszewska	Board Member	from 8 December 2015;
• Olgierd Danielewicz	Board Member	from 8 December 2015.

I. General information about the Company (cont).

h. The Company's related entities are:
- FCapital Dutch B.V. (company exercising significant influence on the Company as defined in IFRS 28), together with its subsidiaries,
- the companies which form the Group, in which the Company is the Parent Entity, together with their affiliates,
- Company's key management personnel and entities controlled by members of management and supervisory authorities.

i. The Company is an issuer of securities admitted for trading on the Warsaw Stock Exchange. In accordance with the choice of selecting accounting policies permitted by the Accounting Act, the Company has decided to prepare its financial statements in accordance with IFRS as adopted by the European Union as of 2008.

The decision to prepare the Company's financial statements in accordance with these standards was made by the Company's Management Board on 11 December 2008 and approved by resolution of the Supervisory Board on 12 December 2008.

j. As the parent company of the Group, the Company has also prepared consolidated financial statements according to IFRS as adopted by the European Union as at March 11, 2016. To better understand the Company's financial position and its results of operations as the Parent Company, the financial statements should be read in conjunction with the consolidated financial statements.

II. Information about the audit

a. The audit of the consolidated financial statements as at and for the year from 1 January to 31 December 2015 was conducted by PricewaterhouseCoopers Sp. z o.o. with its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor, the Group's registered auditor Katarzyna Iganaszak (no.11715).

b. PricewaterhouseCoopers Sp. z o.o was appointed registered auditor to the Company by Resolution No. 1/02/2015 of the the Supervisory Board dated 13 February 2015 in accordance with paragraph 12 p.1.d of the Company's Memorandum of Association.

c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the audited entity within the meaning of art. 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (Journal of Laws of 2015, item 1011).

d. The audit was conducted in accordance with an agreement dated June 18,2015, in the following periods:

- interim audit from 16 November 2015 to 17 November 2015;
- final audit from 25 January 2016 to 11 March 2016, at intervals.

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

III. The Company's results, financial position and significant items of financial statements

STATEMENT OF FINANCIAL POSITION as at 31 December 2015 (selected lines)

	31.12.2015 PLN '000	31.12.2014 PLN '000	Change PLN '000	Change (%)	Structure 31.12.2015 (%)	Structure 31.12.2014 (%)
ASSETS						
Non-current assets	1.065.603	1.107.027	(41.424)	(3,7)	96,4	98,2
Current assets	39.637	19.733	19.904	>100,0	3,6	1,8
Total assets	**1.105.240**	**1.126.760**	**(21.520)**	**(1,9)**	**100.0**	**100.0**

	31.12.2015 PLN '000	31.12.2014 PLN '000	PLN '000	(%)	31.12.2015 (%)	31.12.2014 (%)
LIABILITIES AND EQUITY						
Equity	800.728	811.172	(10.444)	(1,3)	72,5	72,0
Long-term liabilities	301.113	313.985	(12.872)	(4,1)	27,2	27,9
Short-term liabilities	3.399	1.603	1.796	>100,0	0,3	0,1
Total liabilities and equity	**1.105.240**	**1.126.760**	**(21.520)**	**(1,9)**	**100,0**	**100,0**

STATEMENT OF COMPREHENSIVE INCOME for the year from 1 January to 31 December 2015 (selected lines)

	2015 r. tys. zł	2014 r. tys. zł	Change tys. zł	Change (%)
Administrative expenses	(6.810)	(2.840)	(3.970)	>100,0
Other operating income	13.521	2.506	11.015	>100,0
Other operating expenses	(10.919)	(21.201)	10.282	(48,5)
Finance income	18.148	17.699	449	2,5
Finance costs	(12.714)	(16.666)	3.952	(23,7)
Profit/(loss) before income tax	**1.226**	**(20.502)**	**21.728**	**<(100,0)**
Income tax expense	(579)	(413)	(166)	40,2
Net (loss) /profit	**647**	**(20.915)**	**21.562**	**<(100,0)**
Other comprehensive income	-	-	-	-
Total comprehensive income	**647**	**(20.915)**	**21.562**	**<(100,0)**

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

III. The Company's results, financial position and significant items of financial statements (cont.)

The following comments are based on information obtained during the audit of the financial statements.

- At the end of the financial year, the Company's total assets amounted to PLN 1.105.240 thousand. During the year total assets decreased by PLN 21.520 thousand (i.e. by 1.9%).

- Investment in associates at 31 December 2015 amounted to PLN 890.852 thousand. The increase by PLN 16.910 thousand compared with the previous year was mainly due to increase of share capital in Blue Horizon Hospitality Group PTE Ltd. which resulted in additional shares amounted to PLN 16.232 thousand.

- Other long-term financial assets at 31 December 2015 amounted to PLN 174.200 thousand and included loans. The decrease by 58.300 thousand compared with the previous year was mainly due to repayments of the loans during the year.

- In 2015 administrative expenses amounted to PLN 6.810 thousand and increased by PLN 3.970 thousand compared with the previous year. The increase is mainly due to increase of cost of external services.

- In 2015 other operating income amounted to PLN 13.521 thousand. The increase of other operating income by 11.015 thousand compared with previous year was mainly due to the result achieved by the company on the proceedings of share-based option plan by AmRest Group employees.

- In 2015 other operating expenses amounted to PLN 10.919 thousand. The decrease of other operating expense by 10.282 thousand compared with the previous year was mainly due to recognizing lower impairment of assets in 2015.

- In 2015 financial income amounted to PLN 18.148 thousand and comprised mainly interest income of PLN 11.215 thousand. An increase of financial income by PLN 449 thousand (i.e. by 2,5%) compared to previous financial year was mainly due to dividend received amounted to PLN 6.606 thousand.

- In 2015 financial costs amounted to PLN 12.714 thousand and comprised mainly interest expense of PLN 12.082 thousand. A decrease of financial costs by PLN 3.952 thousand was mainly due to decrease of interest expense by 2.995 thousand.

  The financial statements have been prepared on the assumption that the Company will continue in operation as a going concern.

IV. The independent registered auditor's statement

a. The Management Board of the Company provided all the information, explanations, and representations requested in the course of the audit and provided a representation letter confirming the completeness of the data included in the accounting records and the disclosure of all contingent liabilities and post balance-sheet events which occurred up to the date on which that letter was signed.

b. The scope of the audit was not limited.

c. The financial statements of the Company for the year from 1 January to 31 December 2014 were approved by Resolution No. 4 passed by the General Shareholders' Meeting on 19 May 2015 and filed with the National Court Register in 11 June 2015.

d. We have assessed the operation of the accounting system. Our assessment covered in particular:
- the accuracy of the documentation relating to business transactions;
- the fairness, accuracy and verifiability of the books of account, including computerized books of account;
- the methods used for controlling access to data and the computerized data processing system;
- the safeguarding of the accounting documentation, books of account, and financial statements.

This assessment, together with our verification of individual items of the financial statements, provides the basis for expressing an overall and comprehensive opinion on these financial statements. The audit was not intended to provide a comprehensive opinion on the operations of the said system.

e. The notes to the financial statements present all significant information required by IFRS as adopted by the European Union.

f. The information in the Directors' Report for the year from 1 January to 31 December 2015 has been prepared in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 concerning the publication of current and periodic information by issuers of securities and the conditions of acceptance as equal information required by the law of other state, which is not a member state (Journal of Laws of 2014, item 133) and is consistent with that presented in the financial statements.

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

V. Final information

This report has been prepared in connection with our audit of the financial statements of AmRest Holdings Spółka Europejska, pl.Grunwaldzki, Wroclaw. The financial statements were signed by the Company's Management Board and the person entrusted with maintaining the books of account on 11 March 2016.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings Spółka Europejska dated 11 March 2016, concerning the said financial statements. The opinion on the financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the financial statements as a whole.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o. Registered Audit Company No. 144:

Katarzyna Ignaszak

Key Registered Auditor
No. 11715

Wroclaw, 11 March 2016

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent Registered Auditor's Report
To the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings Spółka Europejska

Report on the financial statements

We have audited the accompanying financial statements of AmRest Holdings SE (hereinafter called "the Company"), pl. Grunwaldzki 25-27, Wroclaw , which comprise the statement of financial position as at 31 December 2015, the income statement the statement of comprehensive income for the year from 1 January to 31 December 2015, the statement of changes in equity, the statement of cash flows for the financial year and a summary of significant accounting policies and other explanatory notes.

Management and Supervisory Board's Responsibility for the financial statements

The Company's Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union and the Report on the Company's operations and for the correctness of the books of account in accordance with the applicable regulations. The Company's Management Board is also responsible for internal controls as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board and Supervisory Board are obliged to ensure that the financial statements and the Report on the Company's operations meet the requirements of the Accounting Act of 29 September 1994 ("the Accounting Act" – Journal of Laws of 2013, item 330 as amended).

Auditor's Responsibility

Our responsibility was to perform an audit of the accompanying financial statements and to express an opinion and the report on whether the financial statements present, in all material respects, a true and fair view of the Company's financial position and its financial results in accordance with the regulations and the applicable accounting policies and on the correctness of the accounting records constituting the basis for their preparation.

We conducted our audit in accordance with section 7 of the Accounting Act and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Audit and Assurance. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PricewaterhouseCoopers Sp. z o.o., Al. Armii Ludowej 14, 00-638 Warszawa, Polska
Telefon +48 22 746 4000, Faks +48 22 742 4040, www.pwc.pl

Independent Registered Auditor's Report
To the General Shareholders' Meeting and the Supervisory Board of
AmRest Holdings Spółka Europejska (cont.)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements in all material respects:

a. give a true and fair view of the Company's financial position as at 31 December 2015 and its financial performance and its cash flows for the year from 1 January to 31 December 2015, in accordance with the International Financial Reporting Standards as adopted by the European Union;

b. comply in terms of form and content with the applicable laws , including the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions of recognizing as equal information required by the law of other state, which is not a member state ("the Decree" – Journal of Laws of 2014, item 133)} and the Company's Memorandum of Association;

c. have been prepared on the basis of correctly maintained books of account.

Report on Other Legal and Regulatory Requirements

Opinion on the Report on the Company's operations

The information contained in the Report on the Company's operations for the year from 1 January to 31 December 2015 accommodates the requirements of article 49 paragraph 2 of the Accounting Act and the Decree and is consistent with the information contained in the audited financial statements.

Based on the knowledge of the Company and its environment obtained during our audit we have not identified any material misstatements in the Report on the Company's operations.

In the Statement of Corporate Governance, which is a separate part of the Report on the Company's operations, the Company included information in accordance with the scope defined in the Decree. This information complies with the applicable regulations and is consistent with the information contained in the financial statements.

Auditor conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o, Registered Audit Company No. 144:

Katarzyna Ignaszak

Key Registered Auditor
No. 11715

Wroclaw, 11 March 2016

AmRest Holdings SE

Stand-alone

Directors' Report

For the year 2015

11 March 2016

Contents

Letter to the shareholders

Dear shareholders,

We are honored to communicate another successful year of AmRest performance at many levels. Solid foundations of growth that we have built over the last years supported by favorable macro trends in most of our markets resulted in 2015 being an amazing year for our guests, employees and shareholders.

Looking back we would like to emphasize the key developments that significantly contributed to the outstanding results, and which will also play an important role in future performance of our company. As a diversified growth platform we have reached the point, when all our divisions and brands deliver positive and continuously growing financial results. Our investment activity is gaining momentum and the quality of new builds improved significantly. Our core business – the main pillar of AmRest operations – is stronger than ever. In June we also entered a very prospective Romanian market, which also strengthened Starbucks's position within AmRest brand portfolio. In Poland we launched a very promising new format – Pizza Hut Express, while in China we continued dynamic expansion of Blue Frog in several new big cities.

Focus on the core business delivered record high results for 2015. Consolidated revenues grew by 13.1% to PLN 3 339m, EBITDA of the Group increased by 22.5% and reached PLN 436m, while net income tripled over the year and amounted to PLN 160m. Q4 2015 was the eighth consecutive quarter of double-digit EBITDA growth (YOY). Significant performance improvement wouldn't have been possible without continued growth of scale. In 2015 we opened 99 new restaurants (including 17 franchised locations), strengthening our leadership position as a restaurant operator in AmRest' s major markets. Our achievement was possible thanks to consistent realization of 80/20 investment strategy. This assumes allocation of 80% of our capital towards core business, and remaining 20% into emerging brands.

We are particularly proud of continuously growing the leading role that AmRest plays in two main regions of operation – Central Europe and Spain, additionally supported by set of positive macro trends in most of the countries. On the other hand, the Russian market remains challenging, despite very strong operating results of our restaurants. In 2015 we also observed some softened macro trends in China, impacting negatively our own business. Despite some headwind and uncertainty in those two markets, we commit to our the long-term development strategy in both markets, adjusting our investment activity there on an ongoing basis.

Looking ahead we will pursue our ambitious goals of dynamic growth both in sales and profitability. To a great extent our development will be supported by an increased pace of organic expansion and higher number of new openings. On top of that we will continue our efforts towards strengthening of our presence in Europe by pursuing M&A opportunities within the scope of existing brands or countries. Solid condition of AmRest reflected in a strong balance sheet position will play an important role enabling our growth.

Achieving and maintaining the leadership position of restaurant industry has been a result of balanced growth based on three pillars of AmRest strategy: diversified portfolio of superior **brands**, growing economies of **scale** and – most of all – team of fantastic **people** serving with passion high quality products and sharing positive energy with our customers. It is through those passionate and dedicated people that AmRest continues to be such a fast growing company. We would like to thank all of our employees for their contribution to a great 2015 year.

Management Board of AmRest Holdings SE

Information about financial data in the stand-alone report

AmRest Holdings SE is a holding company and does not run any operations. For this reason any financial data found in this report refers to the AmRest Group.

1. Selected financial data

DIAGRAM 1: REVENUES IN 2013-2015 (IN PLN'000)

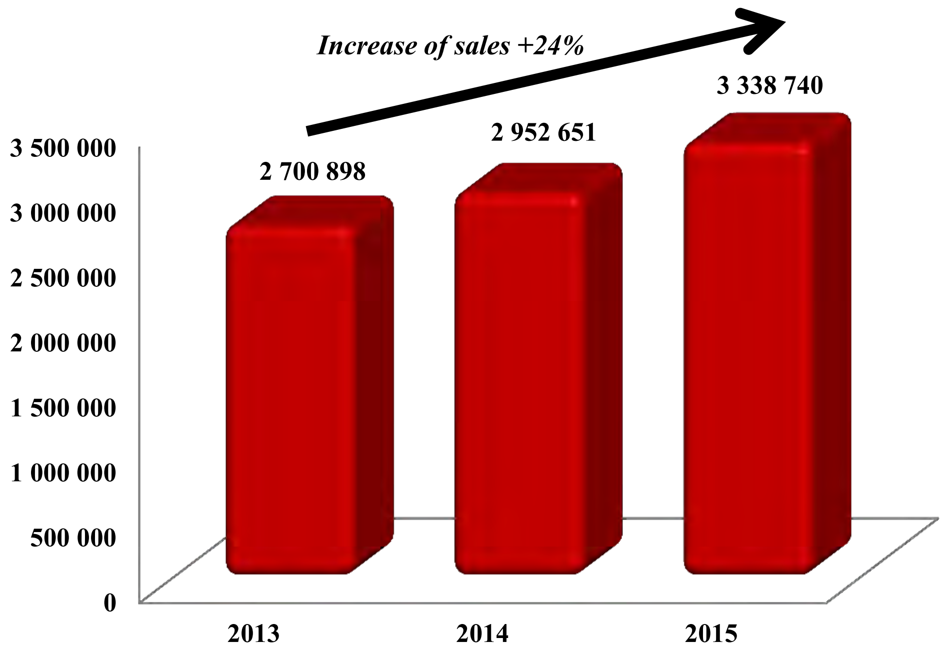


DIAGRAM 2: EBITDA IN 2013-2015 (IN PLN '000)

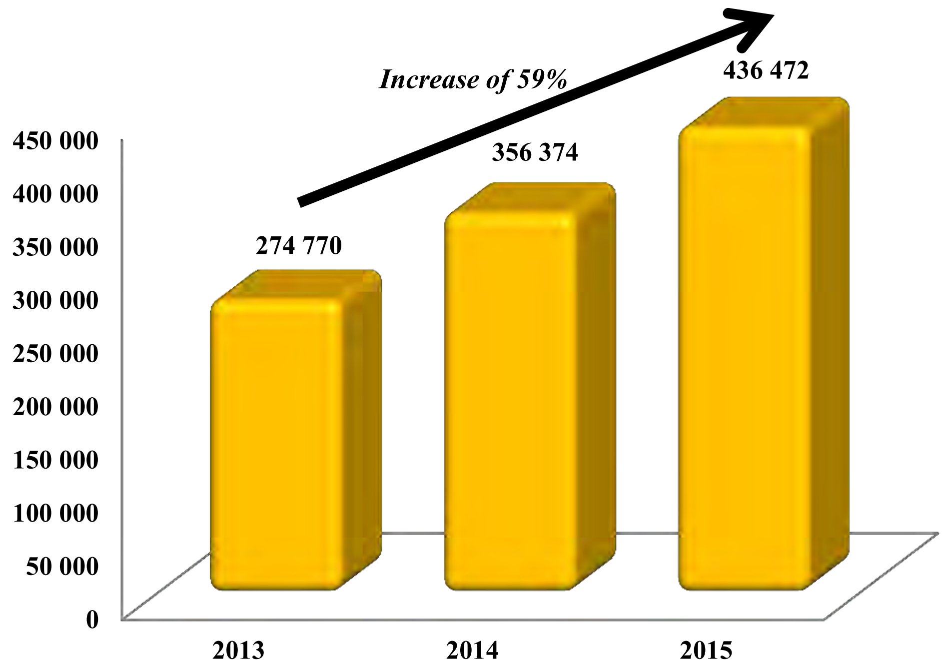
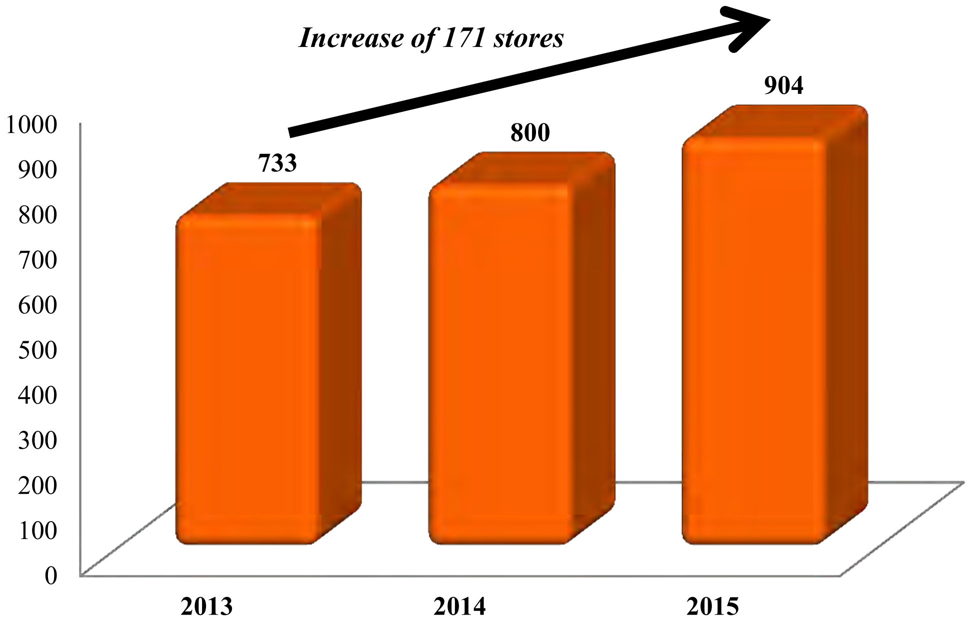
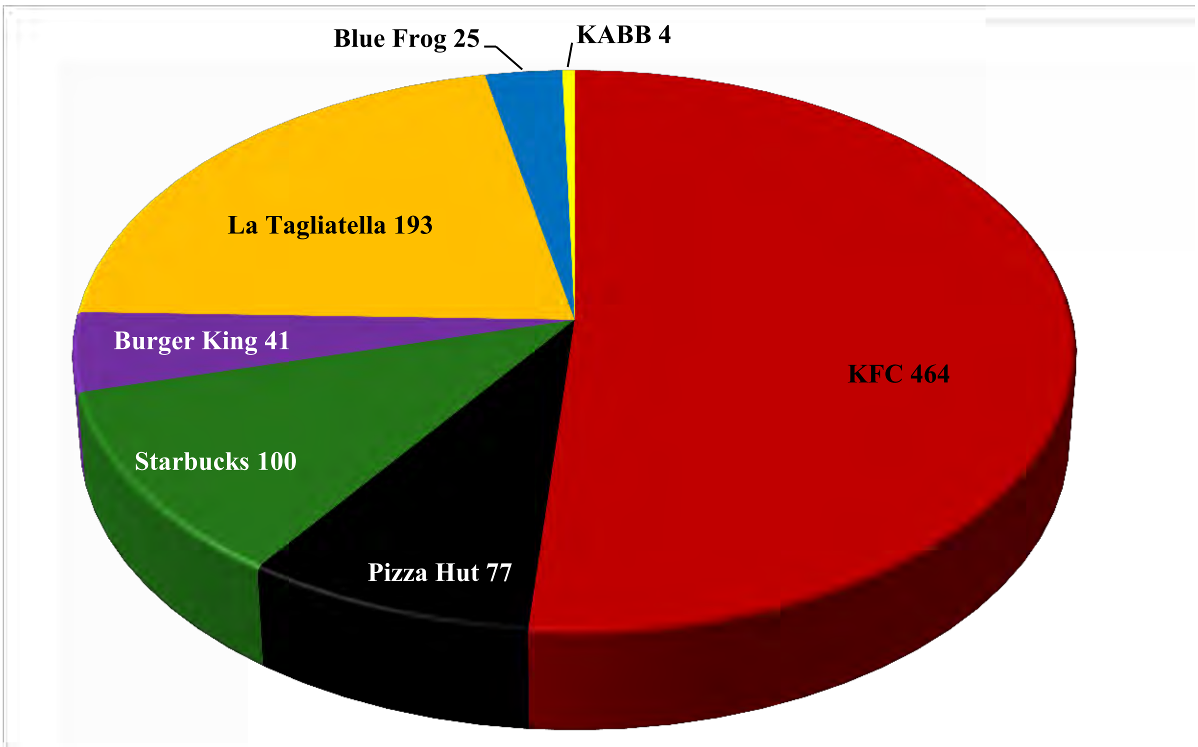


DIAGRAM 3: NUMBER OF AMREST RESTAURANTS IN 2013-2015, BALANCE AS AT 31 DECEMBER 2015



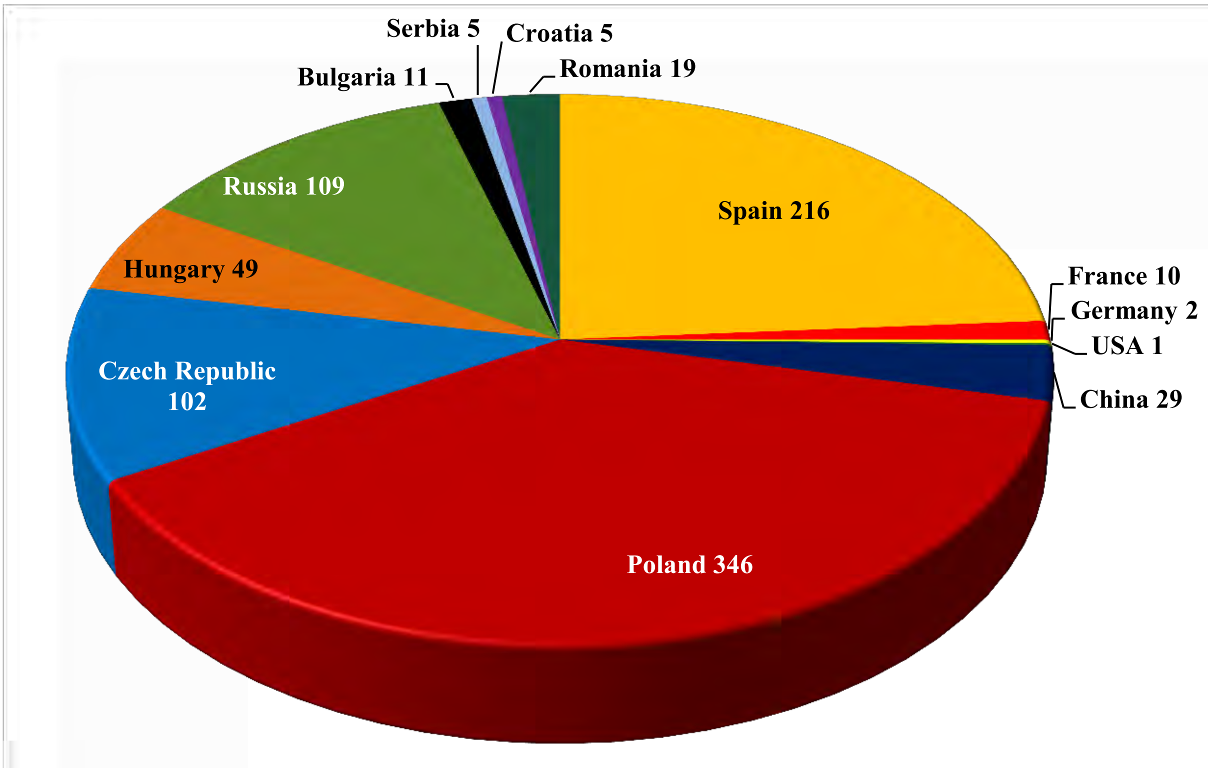
* Including restaurants operated by franchisees of La Tagliatella brand.

DIAGRAM 4: NUMBER OF AMREST RESTAURANTS BY BRAND, BALANCE AS AT 31 DECEMBER 2015



* Including restaurants operated by franchisees of La Tagliatella brand

DIAGRAM 5: NUMBER OF AMREST RESTAURANTS BY COUNTRY, BALANCE AS AT 31 DECEMBER 2015



* Including restaurants operated by franchisees of La Tagliatella brand

2. Description of the Company

2.1. Basic services provided by the Group

As at the date of publication of the report, AmRest Holdings SE ("AmRest") manages 7 restaurant brands in 13 countries of Europe, Asia and North America. Every day over 23.5 thousand AmRest employees deliver delicious taste and exceptional service at affordable prices, in accordance with our "Wszystko Jest Możliwe!" ("Everything is possible!") culture.

AmRest manages its restaurants in two restaurant sectors:

- Quick Service Restaurants — KFC, Burger King, Starbucks
- Casual Dining Restaurants — La Tagliatella, Pizza Hut, Blue Frog and KABB.

AmRest restaurants provide on-site catering services, take away services, drive-in services at special sales points ("Drive Thru"), and deliveries for orders placed online or by telephone. AmRest restaurant menus include brand dishes prepared from fresh products in accordance with original recipes and with KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB chain standards.

AmRest is a franchisee of Yum! Brands Inc. for the KFC and Pizza Hut brands. Burger King restaurants also operate on a franchise basis following an agreement concluded with Burger King Europe GmbH. Starbucks restaurants in Poland, Czech Republic and Hungary are opened by joint-venture companies AmRest Coffee (82% AmRest and 18% Starbucks), which have the rights and licenses to develop and manage Starbucks restaurants. Starbucks stores in Romania and Bulgaria, which were acquired from Marinopoulos Coffee SEE B.V. in June 2015 are operated by the Company on a franchise basis. The La Tagliatella is the own brand of AmRest which became part of the portfolio in April 2011. La Tagliatella restaurants are operated both by AmRest and by entities which operate restaurants on a franchise basis. The Blue Frog and KABB brands became the property of AmRest in December 2012 as a result of purchase of a majority stake in Blue Horizon Hospitality Group LTD.

2.2. Restaurants in the Quick Service Restaurants (QSR) segment

Established in 1952, KFC brand is the biggest, fastest growing and most popular chain of quick service restaurants serving chicken meals. There are almost 19 400 KFC restaurants in 115 countries in the world.

In 2015 KFC restaurants run by AmRest in Central Europe noted a significant increase of sales and profit compared to the previous year on each of the markets of operation. The increase of sales in KFC was the result of realization of a consistent marketing strategy related to improving the general restaurants' image and also to many innovations in the product segment. The strong position of the brand in the "value" segment has been maintained and the season products remarkably enriched the offer in the "premium" category. The offer of grilled products has also been diversified what evoked a very positive response from the restaurant guests.

In 2015 AmRest opened in total 26 KFC restaurants in Central Europe. Among new locations there are 11 restaurants of Drive Thru type some of which are located at highways. Over 20 restaurants underwent general renovation what improved their image and functionality to a large extent. Newly opened and renovated restaurants are characterized with a design which is deeply rooted in the values and the history of the brand. "Open kitchen" deserves special attention as thanks to it the restaurants' guests can see how the famous KFC chicken is prepared. In each restaurant there is also information about the local origin of the chicken and the name of the person who on this day plays the role of the chef. In larger and larger number of KFC restaurants in

Central Europe the point of ordering is separated from the point of reception what influences the improvement of quality and speed of service and makes the personal contact with guests easier.

Last year KFC brand in Poland significantly strengthened its share in the home delivery channel. Presently majority of large cities where the brand's restaurant are present, have the free delivery what influences the increase of the frequency of using this service and enlarging the group of KFC customers. Ordering is possible both on the phone and using a modern website. Guests who activate their account get texted on the status of their order. The offer of KFC home delivery gave the customers the opportunity to compose their own bucket – this is one of the most favorite offers in this channel of sales.

Within permanent improvement of efficiency and increasing the value for the customer KFC continues the works according to Lean Management philosophy. It has been translated not only into a visible improvement of the margin of the brand but also and most of all into the increase of the guests satisfaction. Cooperating with one of the world leader of service quality, KFC chain in Central Europe successively introduced the program aiming at ensuring perfect "experience" to the restaurant customers.

Last year was another one when KFC was found in the group of the best employers in a retail sector in Central Europe. It is so, among others, thanks to the initiative "able in AmRest" related to employing disabled people. The brand still supports the Foundation of Corporate Social Responsibility, supporting the children form North West Poland.

Russia is the second largest, after Poland, market where AmRest runs KFC restaurants. The results on this market were very good in 2015 despite the worsening general macroeconomic situation of the country. Due to a consistently realized strategy of the brand awareness, the income in comparable restaurants noted in 2015 two digits increase. Additionally 10 new restaurants were opened what resulted in about 30% increase of income in local currency. Together with the income dynamics the margin was improved what resulted in a significant improvement of the operational profit generated on this market.

It is worth noticing, however, that in the second half of the year the inflation pressure visible in the majority of cost categories was strengthened. Thanks to the active cooperation with suppliers in 2015 we managed to control the costs but it cannot be excluded that in 2016 the structure of the costs will undergo a slight worsening.

In 2016 it is planned to increase the pace of openings on the Russian market. The strategy of the Board is to perform selective openings in the locations of the highest qualities in the places of the exceptionally attractive conditions of rental due to the market situation concerning the competition of a weaker business model.

At the date of publication of this report, the Company operated 465 KFC restaurants - 206 in Poland, 71 in the Czech Republic, 101 in Russia, 37 in Spain, 35 in Hungary, 5 in Serbia, 5 in Bulgaria and 5 in Croatia.

The beginnings of the Burger King brand date back to 1954. Burger King ("Home of the Whopper") operates about 15 000 restaurants serving ca. 11 million customers daily in more than 80 countries worldwide. Over 90% of Burger King restaurants are managed by independent franchisees, many of which are family businesses that have been operating for decades.

In 2015 Burger King brand next time noted an increase of income from sales in relations to the previous year on Polish and Czech markets. It is a very good signal that this increase was caused both by the increase of the number of guests visiting the Burger King restaurants and also an increase of the height of the average guest check. Financial results which were the best in the history of the brand in this market deserve a special attention.

Last year a new restaurant at A1 highway (MOP Otłoczyn) was opened within AmRest group which in its third month of operation reached the highest level of monthly sales since AmRest became Burger King restaurant operator in Poland. Moreover in relation to the remodeling of the shopping mall, Burger King came back to CH Magnolia in Wrocław. Within the strategy of the Burger King restaurant design renovation of three points was run and was very positively assessed by the guests.

Positive results are the effect, among others, of the increased brand awareness on Polish market. Burger King is a more and more attractive brand for the customers of the restaurants belonging to QSR category. According to „Brand Observer" report, each year the number of persons who think that Burger King serves high quality burgers, better than the ones served by the competition, increases. New concepts serving burgers are a good signal for the development of this segment of the market and increasing its popularity.

Big marketing activity, the operations such as "outdoor campaigns" in the biggest cities of Poland and Czech contributed to the increase of brand awareness. Burger King brand bet on intensifying of commercials and signage in the closest vicinity of the restaurant.

Last year a new platform of „Add Ons" which gives the guests the opportunity of buying a set of add ons such as ice cream, coffee, snacks for 2.95 to the set was introduced. The platform gets more and more popular among the guests. In 2015 introduction of a new version of the „ Big King" flag burger which was very positively received by guests was a big event and attracted new customers to Burger King.

Burger King brand continues the "better burger" strategy the confirmation of which are the products from limited offers. Whopper Texas BBQ (variation of the bestseller "Bacon&Cheese Whopper") and also approved by real connoisseur „Steakhouse Angus XT" were the most popular in 2015.

King Deals platform is the most popular in the value segment as with the price of 4.95 it offers guests high quality products. The offer is widely communicated by marketing - with a support of TV, outdoor, indoor and digital campaigns.

The change of the Burger King brand communication way in social media is worth noticing as it aims at presenting "real food" and "real people and situations". New approach was liked by the guests the effect of which is the increase of their involvement and a permanent increase of people following the fan page. Presently the brand has almost 114 000 fans.

In 2016 Burger King will continue "Better Burger" strategy by maintaining high quality of products and introducing new innovative taste connections. The introduction of a mobile application which is planned for the first half of 2016 will be a breakthrough event.

At the date of publication of this report, AmRest operated 41 Burger King restaurants - 33 in Poland, 7 in the Czech Republic and 1 in Bulgaria.

Starbucks is the world leader in the coffee sector with more than 20 000 stores in over 60 countries. It offers a broad selection of coffees from different parts of the world, as well as teas, soft drinks and a wide range of fresh snacks and desserts. The store designs and their atmosphere refer to the coffee heritage and reflect the culture of the neighbourhood. AmRest Coffee (a joint venture between Starbucks Coffee International and AmRest Holdings) currently operates Starbucks stores in Poland, Czech Republic and Hungary.

Brand growth strategy assumes increasing the market share in a disciplined manner, by improving sales in existing restaurants and by opening new stores.

2015 was a very success year within the 3 core markets of Poland, Czech Republic and Hungary. Growth was noted in the high single digit range. This year also resulted in a significant change in the geographies by

purchasing the existing Starbucks business in Romania and Bulgaria. In the process AmRest has added a very profitable and perspective business in those countries.

On the beverage front Starbucks continues with its innovations (Caramel Jelly Frappuccino introduced in the summer). In Poland we have also rolled out our fresh food platform providing freshly made sandwiches, salads and yogurts. This is part of a revamp project for the food line. This project will continue in 2016 with a rollout to the other countries as well as development of new products within the sweet and savoury lines.

My Starbucks Rewards – the Loyalty program has continued to grow it's user base in Czech Republic and Poland. The introduction of the mobile application has increased the usage of the program also regaining lapsed users. The program benefits have seen an upgrade this year providing more benefits to the customers for their loyalty. Also targeted email actions have been used to increase the awareness of benefits as well as trigger commercial activities in the shops.

The brand plans to continue expanding its geographical presence within the operating countries increasing the amount of new openings to 25-30 in 2016.

The strategy of the brand is heavily based on building an unique experience in the store. The human connection, the passion for the job and for coffee is what differentiates the brand, people and experience in the store from the competition. The core strength lies in pursuing the commitment to the highest quality coffee transformed into the highest quality beverage delivered to every single customer served in Starbucks stores.

At the date of publication of this report AmRest operates 101 Starbucks cafes (40 in Poland, 25 in the Czech Republic, 12 in Hungary, 19 in Romania and 5 in Bulgaria).

2.3. Restaurants in the Casual Dining Restaurants (CDR) segment

With 179 restaurants La Tagliatella is the leading Brand in the Italian Casual Dining segment in Spain.

Since its first opening in 2003, the brand has been steadily growing through the opening of both equity and franchised restaurants. But 2015 has been an exceptional year, since La Tagliatella has beaten any previous record in number of openings: a total of 23 new restaurants have been built across all Spanish geography, expanding our reach to 4 new market areas.

The strength that the brand has developed during the last years has come to light in a context of a Spanish Economy which has grown by 3.2% (the greatest GDP increase of the Spanish economy since 2007), supported by the improvement in consumer confidence and employment ratios. In this favorable scenario, while the Casual Dining segment achieved a positive growth of +0.3% comparable sales in 2015, La Tagliatella outperformed the market by far, reaching a remarkable +5.4%.

La Tagliatella has continued to work in innovative products such as the Salmon Tartare, which has become a top seller within the Antipasti category, and new desserts such as our "Café Gustoso", which allows customers to finish their meal with a coffee along with a sample of 2 different desserts, for the same price as a regular dessert. This initiative, imported from the French market, has been very appreciated by the customers and it is expected to become more relevant during 2016 as its picture will be displayed in the cover of the new dessert menu cards.

The launch of the e-learning platform has been very relevant for our franchisees during 2015. This on-line training tool allows their staff to get an easy and convenient access to the different training modules, such as bar service, table service or prevention of occupational hazards.

Year 2015 has been also a step forward in social media and digital communication. The "Reto de la nueva carta" (The new menu challenge) and the "Fan Pizza 2015" campaigns were extremely successful. Fan Pizza initiative registered the highest participation after 3 years of consecutive success and brought 54.000 new fans to our Facebook community. Right now La Tagliatella has 338.000 fans and is the leading casual dining brand in number of twitter followers as well as in visits to its website. Continuing our digital development, 2016 will be the year of the deployment of our Customer Relationship Management (CRM) capabilities, with the roll-out across all the territory of a brand-specific loyalty program, designed to support and reinforce the Brand Core Values.

Year 2015 was successful also for La Tagliatella in Germany. Both restaurants (Cologne and Frankfurt) recorded double-digit increase in revenues.

As at the publication date the portfolio of la Tagliatella consisted of 194 restaurants - 181 in Spain, 10 in France, 2 in Germany and 1 in the United States

Pizza Hut is one of the biggest chains of casual dining restaurants. Inspired by Mediterranean food, it promotes the idea of sharing quality time with family and friends. It is also the leading casual dining brand in Poland. Strong positioning of Pizza Hut is maintained through "One Brand, Three Channels" strategy and strengthening the expert status in pizza category within all consumer occasions.

Year 2015 was another very successful period for Pizza Hut operation. Apart of the development of the brand in the "casual dining" segment it brought the bloom of the remaining sales channels - Pizza Hut Delivery and Pizza Hut Express.

Traditionally the year was opened by Pizza Festival which took place in the Pizza Hut restaurants for the sixth time. This long awaited offer gave the customers the opportunity to savor various tastes of pizza served on 4 kinds of dough for only 24,95 - in the "all you can eat" amount. The sixth edition of the Festival enjoyed a record popularity and attracted very many new guests to the restaurants. The offers were promoted by TV commercials and internet campaign. An additional promotional mechanism was applied in the campaign – when coming in the group of at least four persons and ordering the offer of Pizza Festival the beverages were served for free. This solution had a big influence of the average guest cheque.

Pizza with a big amount of stretching cheese is the most popular proposition of Pizza Hut. In March and April 2015 "Pizza Super Cheese" appeared in the offer for the first time – this is a pizza on a Pan dough which apart from the standard amount of cheese on the middle has also cheese baked in the rim and on its top. The materials in the restaurants and TV commercials stressed the main attribute using the slogan "Cheese is everywhere". This exceptional offer brought the brand increase sales and strengthened Pizza Hut position as an expert in the innovative forms of pizza.

Spring and summer as every year is a time of introducing „lighter propositions of dishes and refreshing beverages in Pizza Hut. In 2015 new propositions in the categories of pizza salads and lemonades appeared in the offer. All the propositions were prepared from fresh, season components. This offer attracted new guests, mainly women and made loyal customer visit the restaurants more often.

At the end of July "My Pizza Hut" loyalty program was introduced – it is an innovative tool which builds customers' involvement in the brand's operations and supports the frequency of their visits in restaurants in a long term perspective. The program from the very beginning enjoyed a great interest of guests who registering their next visits in Pizza Hut on their account get invitations to unique events such as "pre-premiere" dinners (degustation of new dishes from the menu) and attractive offers adjusted to individual needs. Already 70 thousand of customers joined the program enjoying its benefits and using invitations in the exceptional events and promotions.

September was an important month in Pizza Hut history as in all sales channels new pizza dough was introduced – thin Traditional dough. It is manually kneaded every day in each restaurant and surprises with a delicious taste and unusual form with irregular surface of the rims which is typical for long maturing dough. To satisfy the needs of all the guests, pizza on traditional dough was also introduced in the variation with the cheese in the rims.

In autumn a new menu – which is the expression of a new, global positioning of the brand "Bring more flavor to life" and in a mouthwatering way presents all portfolio produced by Pizza Hut - appeared in the restaurants with waiter service.

Two last months of 2015 were the time of an innovative „Crown" pizza the taste of which was enriched by delicious, colorful cheeses: gouda with green pesto and delicate cheddar. Heavenly taste and look of the product was stressed in the promotional materials in outdoor and internet campaigns and in restaurants.

Pizza Hut Express is a concept which enables the customers eating their favorite pizza on the way home, to work or to school. This completely new way of reaching the Guests matches ideally the trends on the market. The restaurants are not big, easily accessible in the shopping mall food courts, in the city centers and locations convenient for business lunch. The first restaurant was opened in Bielsko Biała in January and the next two were opened in Wrocław. Pizza is prepared from fresh ingredients immediately in the front of guests there. Every day the dough prepared in the restaurant, carefully selected toppings and care for standards make the delicious and exceptional taste of fresh pizza, apart from the speed of service, the main advantage of the concept. There are five most popular choices from Pizza Hut menu; margherita, pepperoni, Hawaian, farmer's and prosciutto e rucola, served on traditional dough. The customer can also compose their own pizza from the components of their choice. The pizza preparation time in Pizza Hut Express was shortened thanks to shortlisting of the menu and application of a special stove adjusted to fast baking. Unique technology together with product and operational discipline allow to promote the concept with the slogan: "We make a fresh pizza in 5 minutes!" . In the middle of the year the offer was enriched with the possibility of ordering additional cheese in rims what influences the attractiveness and exceptionality of the offer even more. The test phase showed a big potential of the concept, fast achieving breakeven point and a profitable return on the invested capital. The concept will be developed in next years.

In 2016 further dynamic development of the brand is planned within the "casual dining concept" as well as the "Express" format and home delivery channel.

At the date of publication of this report AmRest operated 77 Pizza Hut restaurants - 67 in Poland, 8 in Russia and 2 in Hungary.

Acquisition of the Blue Horizon Hospitality Group in 2012 enriched AmRest's CDR segment brand portfolio with two brands operating in the China market.

- Blue Frog Bar & Grill — restaurants serving classic American bar and grill cuisine along with Asian inspired favorites in a modern, inviting atmosphere.
- KABB Bistro Bar — premium segment restaurant, serving the favorites of "western cuisine" along with a wide selection of wine and drinks.

The third year of operations in China saw the continued expansion of the Blue Frog and Kabb brands along with greater penetration of the brands in key markets. In addition to opening four new Blue Frogs in our base market of Shanghai, we continued our push into second tier cities, opening second restaurants in Chengdu and Tianjin and our first Blue Frog restaurant in the port city of Dalian, bringing the total number of cities in which we operate Blue Frog to eight. In tier one cities, our focus on securing the best sites in mature trade zones, including sites on high streets and top tier local malls, such as the Skymall and Plaza 96 restaurants in Shanghai, resulted in continued strong ROI results in our most developed market. Kabb opened its first restaurant in a second tier city, Chengdu, bringing the total for Kabb to four restaurants. In all, the total number of restaurants in China has grown to 30 from a base of 11 in 2013.

Of particular note in 2015 was the maturing of the Blue Frog business in Beijing and the establishment of the Kabb brand beyond its original flagship location in Xintiandi. These two segments have steadily built on the existing customer base and have shown strong sales growth.

The year also had its challenges, with the slowing of the Chinese economy and significant fluctuations in the stock market influencing consumer sentiment and spending. Initiatives to drive sales started with the launch of new healthy drinks. Based on the success of this test menu, these drinks were integrated in the regular drink menu nationwide. With the support of a mixologist hired in 2015, a new Blue Frog cocktail menu saw positive results on both beverage sales and COS. On the food front, a new

Blue Frog menu with an updated look and feel was launched in October. This added seasonal favorites from 2014 to the regular menu while retiring slower moving items. Customer response to these changes was overwhelmingly positive with strong sales of new items. As in the previous years, both brands continued to attract customers through themed campaigns and saw strong responses to events such as Halloween, Singles Day and Christmas holidays.

In the second half of the year, we further expanded the category of home delivery by adding a local delivery provider to a number of existing restaurants, and in December successfully piloted the leading mobile payment apps, Wechat Pay and Alipay.

The pipeline for 2016 is the strongest for the brands to date with secured locations in the established markets of Shanghai, Nanjing and Beijing, and a flagship site signed in the new market of Hangzhou. Construction on our flagship site at the Shanghai Disney Resort is underway with a June 2106 opening. With well-known and proven brands and strong existing relationships with leading mall operators, the Blue Horizon team continues to secure premium, sought-after sites in first and second tier cities.

The China team continues to build on infrastructure to support robust growth without compromising brand quality. The hard work of new city entry is done and can now be leveraged. In 2015, the productivity of the Central Kitchen and back office continued to improve as a percentage of sales, and the Central Kitchen, distribution, and above-restaurant leadership and training costs are expected to continue to fall as a percentage of sales in 2016.

As at the publication date, AmRest owned 26 Blue Frog and 4 Kabb restaurants in China.

3. Structure of revenues

Revenues of AmRest Group increased by PLN 386m and amounted to PLN 3 339m in 2015. Dynamic growth of 13.1% resulted mainly from:

- strong positive sales trends in comparable restaurants (LFL) observed in all markets of Central Europe (CE) and continued expansion in the region (47 new locations opened in 2015). In June 2015 AmRest's acquired the chain of Starbucks coffee shops in Romania and Bulgaria (23 stores) which additionally strengthened top line growth of this division,
- growing LFL trends in La Tagliatella and KFC in Spain, which – supported by 29 new openings (including 15 franchised restaurants) – led to 13.3% growth of revenues of Spanish division,
- 26.6% increase in sales of New Markets on the back of further business development in China (9 openings in China and 2 openings in France),
- 2% decline in revenues of Russian division (PLN -8m vs 2014) due to weakening ruble. Sales in local currency grew by 30.1% as a result of growing number of restaurants (12 new openings) and positive double-digit LFL trends.

TABLE 1. AMREST GROUP'S SALES BY DIVISION

Divisions	2015		2014	
	PLN '000	share %	PLN '000	share %
Central and Eastern Europe (CE)	1 987 790	59.5%	1 727 723	58.5%
Russia	402 838	12.1%	410 858	13.9%
Spain	704 412	21.1%	621 559	21.1%
New Markets	243 700	7.3%	192 511	6.5%
Total	**3 338 740**	**100.0%**	**2 952 650**	**100.0%**

The seasonality of sales and inventories of AmRest Group is not significant which is typical for the whole restaurant industry. In the CE region restaurants achieve lower revenues in the first half of the year, which is the result of lower number of days of sales in February as well as relatively less frequent visits of customers in restaurants.

4. Supply chain

The market situation in the first half of 2015 was relatively stable. High level of harvest in 2014 was the reason for the price fall on the world cereal and oil plant markets which allowed to maintain low prices also at the beginning of 2015. In 2015 the harvest in Europe were lower due to draught but the increase of prices was prevented thanks to big stocks which in global scale helped to compensate weaker harvest.

The situation on the chicken market in Poland was advantageous especially in the second half of the year what was influenced mainly by low process of feed. Abolishing the limits in EU and Russian embargo influenced the fall of milk prices in the first half of the year what also influenced positively the prices of other dairy products. Starting September, however, the increasing tendency could be observed.

Meat market after a few percent increase of the raw materials in the first half of the year entered the increasing phase again at the end of the year, mainly because of the situation on the currency market. EUR/USD exchange rate decreased attractiveness of South American offers and the fall of PLN value drove export and price increase on the local market.

Following the trends in global scale and continuing of building long term relations and cooperation with suppliers allowed AmRest to realize purchase strategy without any obstacles. The main tasks of the past year included:

- Developing the cooperation with a new distributor in Poland,
- Launch of environmentally friendly packaging, based largely on recyclable material, while maintaining the highest quality standards and applicable regulations,
- Continued implementation of new technologies to successive providers in order to improve efficiency and lower production costs.

The most important assumptions of AmRest purchase strategy for 2015:

- Consolidation of "Quality Assurance & Food Safety" procedures on a global scale,
- Continuation of the distribution strategy with regard to new markets, in order to optimize costs,
- Continued operation and development of the Innovation Center.

The list of the largest suppliers of AmRest in 2015:

- Quick Service Logistics Polska Sp. z o.o. Sp. K. — distributor in Poland,
- Conway S.A. – distributor in Spain,
- Roldrob S.A. – supplier of chicken products in Poland,
- Drobimex Sp. z o.o. – supplier of chicken products in Poland,
- LDS Disztribútor Szolgáltató Kft. – distributor in Hungary,
- OOO RBD Distribution – distributor in Russia,
- Quick Service Logistics Czech s.r.o. — distributor in the Czech Republic,
- Przedsiębiorstwo Drobiarskie Drobex Sp. z o.o. – supplier of chicken products in Poland,
- Vodnanská drůbež, a.s.– supplier of chicken products in the Czech Republic;
- PPHU Konspol- Bis Sp. z o.o. – supplier of chicken products in Poland.

5. Employment in AmRest

The table below shows employment in the Group in the years 2013–2015.

*TABLE 2. NUMBER OF EMPLOYEES IN AMREST (BALANCE AS AT 31 DECEMBER 2015, 2014, 2013)**

Year	**2015**	**2014**	**2013**
Employment in restaurants	22 679	22 198	18 759
Employment in administration	944	841	771
Total	**23 623**	**23 039**	**19 530**

* The data includes employees employed on short-term service contracts

6. Changes in the manner of management

6.1. Changes in the Parent Company's Management Board

On March 13th, 2015 AmRest informed, that due to the expiry in this calendar year of Mr. Wojciech Mroczyński three-year term as AmRest's Management Board Member, the Supervisory Board of AmRest adopted on March 12th, 2015 a resolution on reappointing Mr. Mroczyński to hold the position of the Company's Management Board Member. The resolution became effective upon its adoption.

Mr. Wojciech Mroczyński has a degree in Economics. He graduated from the University of Gdansk, holding a degree in Foreign Trade. Mr. Mroczyński holds an International MBA, granted by Central Connecticut State University. He is also a graduate of Harvard Business School in Boston.

Mr. Mroczyński has an extensive business experience. In 1998-2005 he held management positions at Mondi Packaging Paper Worldwide SA, a company listed on the WSE. In 2003-2005 he was Chief Financial Officer at Mondi.

Mr. Mroczyński has been working for AmRest since 2005. In 2005-2011 he held the position of Chief Financial Officer, Chief Operating Officer and Chief People Officer of AmRest. In 2012 Mr. Mroczyński has taken the position of Chief Strategy Officer.

On December 9th, 2015 AmRest informed, that on December 8th, 2015 the Supervisory Board of AmRest adopted a resolutions on appointing Ms. Oksana Staniszewska and Mr. Olgierd Danielewicz to hold the position of AmRest's Management Board Members. The resolutions became effective upon its adoption.

Ms. Oksana Staniszewska is a graduate of two universities: Kyiv National Linguistics University, faculty of Germanic languages and Ternopol Academy of Economics, faculty of bookkeeping and auditing. Her education was continued during post graduate studies in neurolinguistics, Open Central European University in Budapest, Teacher Fellowship Program at University College London and HR Director Program at Cornell University in New York.

Ms. Staniszewska started her career at AmRest in 2006 as Assistant Manager for multibrand restaurant, PH and KFC. In next years she played various roles in the organization: General Manager of Pizza Hut restaurant, Training Manger, Education Manager, Training and Career Development Director. In August 2012 Ms. Staniszewska took up a role of HR Director in the Russian market. Soon afterward she became Chief Administrative Officer and Chief Operational Officer (also in Russia division). Currently Ms. Staniszewska plays the role of Chief People Officer, leveraging people potential and developing leadership capability of AmRest.

Ms. Staniszewska is MBTI (Myers Briggs Type Indicator) practitioner and ICC (International Coaching Community) coach. Her track record of HR consultancy and executive coaching expands to: Google, Motorola, GE Healthcare, Pegasystem, Invensys, Avon, Dealogic, Societe Generale Group.

Mr. Olgierd Danielewicz is a graduate of Adam Mickiewicz University in Poznan (Master degree in Management and Marketing) and Academy of Economics in Wroclaw (postgraduated studies and MBA).

He joined AmRest (ARS) as a student in 1998, taking up the function of Assistant Manager of soon to be opened KFC restaurant. Afterward he held the position of General Manager, Area Trainer (responsible for training in both KFC and Pizza Hut in Western Poland), Area Coach of KFC South 1 region and District Coach (taking over responsibility for few regions of KFC operation).

In 2007 Mr. Danielewicz was given a challenge of relaunch of Burger King in Poland. The opening of Burger King Złote Tarasy has been recorded as one of the best Burger King openings ever. Next step in his career was the coming back to his home brand and taking over the Brand President position for KFC, initially in Central

Europe division, currently in all markets of AmRest operation. He is responsible for development, monitoring of financial performance and image of the KFC brand.

6.2. Changes in the Parent Company's Supervisory Board

On May 19th, 2015 the Annual General Meeting of Shareholders resolved to:

- revoke Mr. Joseph P. Landy from the Supervisory Board of the Company and appoint Mr. Landy as a member of the Company's Supervisory Board for a new 5-year term (Resolution No. 8),
- revoke Mr. Raimondo Eggink from the Supervisory Board of the Company and appoint Mr. Eggink as a member of the Company's Supervisory Board for a new 5-year term (Resolution No. 9).

The resolutions came into force on the day of their adoption.

On August 12th, 2015 the Extraordinary General Meeting of AmRest resolved to

- determine the number of the Supervisory Board members to be from 5 to 8 persons,
- revoke Mr. Per Steen Breimyr and Mr. Peter A. Bassi from Supervisory Board of the Company,
- appoint Mrs. Zofia Dzik and Mr. Krzysztof A. Rozen as a members of the Company's Supervisory Board.

The resolutions came into force on the day of their adoption.

On August 13th, 2015 the Management Board of AmRest informed, that it was notified on August 12th, 2015 about the resignation of Mr. Joseph P. Landy and Mr. Amr Kronfol from the Supervisory Board of AmRest, dated August 12th, 2015. The resignations of Mr. Landy and Mr. Kronfol were to be conditional upon and with effect as of the moment when Warburg Pincus group ceases to hold directly or indirectly any shares in AmRest.

On August 20th, 2015 the Management Board of AmRest informed, that due to WP Holdings VII B.V.'s disposal of all shares in AmRest, that occurred on August 18th, 2015, the resignation of Mr. Joseph P. Landy and Mr. Amr Kronfol from the Supervisory Board of AmRest became effective.

On September 10th, 2015 the Management Board of AmRest informed, that it received on the same day from Mr. Henry McGovern the letter of resignation from the function of the Chairman of AmRest Supervisory Board, effective 10th September 2015. Mr. McGovern remained the member of the Supervisory Board of AmRest. The reason of resignation, after the previous changes in shareholding structure of AmRest and composition of Supervisory Board, was to allow the members of the Supervisory Board to elect the Chairman of their choice.

On September 11th, 2015 the Management Board of AmRest informed, that it received on the same day from Mr. Bradley D. Blum the letter of resignation from the function of the member of the Supervisory Board of AmRest, effective 21st September 2015, i.e. the date of the upcoming General Meeting of the Company.

On September 21th, 2015 the Extraordinary General Meeting of AmRest Shareholders appointed the following persons as the members of Company's Supervisory Board:

- Henry Joseph McGovern,
- Zofia Dzik,
- Łukasz Rozdeiczer-Kryszkowski (effective from October 20th, 2015),
- Krzysztof A. Rozen,
- Raimondo Eggink,
- Steven Kent Winegar Clark (effective from October 20th, 2015),
- José Parés Gutiérrez,
- Luis Miguel Álvarez Pérez.

Information on appointed members of the Supervisory Board:

Henry Joseph McGovern

Mr. Henry McGovern is a 49 years old citizen of the United States. In the years 2008-2015, he held the role of Chairman of AmRest Holdings SE Supervisory Board. He was the co-founder of AmRest in 1993 and served as the CEO from 1995 to 2008 (initially of American Retail System (ARS) and from 1999 of AmRest). In the years 1993-1995, Mr. McGovern was a member of the Supervisory Board of ARS. In the previous years, he was the CEO of Metropolian Properties International (MPI) - real estate company specializing in commercial property. Mr. McGovern currently serves as Vice President of MPI and the President of International Restaurant Investment (IRI).

Mr. McGovern studied Biology and Philosophy at Georgetown University and attended the London School of Economics. He is an active member of Young Presidents' Organization.

Raimondo Eggink

Since 2002 Mr. Raimondo Eggink has been acting as an independent consultant and trainer for companies operating in the financial market. At the same time he has been serving on the supervisory boards of the following public and private companies: PERŁA – Browary Lubelskie S.A. (2004-2005 and since 2008), Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. (since 2009), AmRest Holding SE (since 2010), Lubelski Węgiel „Bogdanka" S.A. (since 2012), Górnośląskie Przedsiębiorstwo Wodociągów S.A. (since 2015), Suwary S.A. (since 2015), PKP Cargo S.A. (since 2015) and Prime Car Management S.A. (since 2015).

In the past, Mr. Eggink was a member of supervisory boards of the following companies: Stomil-Olsztyn S.A. (2002-2003), Giełda Papierów Wartościowych w Warszawie S.A. (2002-2008), Wilbo S.A. (2003-2005), Mostostal Płock S.A. (2003-2006), Swarzędz Meble S.A. (2004-2005), PKN ORLEN S.A. (2004-2008), KOFOLA S.A. (2004-2012, former HOOP S.A.), Zachodni Fundusz Inwestycyjny NFI S.A. (2006), Firma Oponiarska Dębica S.A. (2008-2012) and Netia S.A. (2006-2014). Previously, he was a member of the management board, Chief Investment Officer and General Manager of the Polish division of ABN AMRO Asset Management, which managed the portfolios of institutional and high net worth individual investors. Mr. Eggink began his career in 1995 at Warsaw branch of ING Bank, where he contributed to the establishment of the first asset management company on the Polish market. In 1995-1997, he served as Deputy Chairman of Polish Association of Brokers and Investment Advisers and in the years 2004-2013 as a member of Management Board of the CFA Society of Poland. He is the author of numerous articles on the development of the Polish capital market and in particular the protection of minority shareholders.

Mr. Eggink holds a PhD degree in theoretical mathematics from the Jagiellonian University in Cracow. He obtained a Polish license for investment advisor in 1995 and a CFA (Chartered Financial Analyst) charter in 2000.

Zofia Dzik

Ms. Zofia Dzik is a graduate of the Cracow University of Economics, University of Illinois in Chicago, University of Social Sciences and Humanities in Warsaw and Executive Programs in INSEAD Business School. She is also MBA of Manchester Business School and a certified member of the Association for Project Management (APMP), experienced mentor and a certified member of John Maxwell leadership development team.

In 1995–2003 worked as a consultant in Andersen Business Consulting as the Head of the Insurance Division. From 2003 Ms. Dzik is engaged in the Intouch Insurance Group (the RSA Group), where in 2004–2007 held the position of the President of the Board of Directors of TU LINK4 S.A – the first direct insurance company in the CEE countries, in 2007–2009 held the position of a Member of the Board of Directors of Intouch Insurance B.V. in the Netherlands and the CEO for Central Eastern Europe of the Intouch Insurance Group. She was responsible for development of new markets. She was the Chairman of the Supervisory Boards of the following companies: TU Link4 S.A. and Direct Insurance Shared Services Center in Poland, Intouch Strahovanie in Russia (startup) and Direct Pojistovna in the Czech Republic (startup), as well as the Vice-Chairman of the Supervisory Board of TU na Życie Link4 Life S.A.

In 2006–2008 Ms. Dzik was a Member of the Board of Directors of the Polish Insurance Association and in 2007–2010 a Member of the Supervisory Board of the Insurance Guarantee Fund. In 2011– 2013 she was a member of the Supervisory Boards of two companies listed on the Warsaw Stock Exchange: KOPEX S.A., internationally recognised mining equipment producer, and Polish Energy Partners S.A., specializing in construction and operation of wind mills and other renewable energy sources.

At present Ms. Dzik holds the position of the CEO of Fundacja Humanites developing leadership programs and supporting development of the social capital in Poland. She is also a professional Member of the Supervisory Boards of the following companies: TU Link4 SA – direct insurance company (part of the PZU Group), ERBUD SA – one of the leading listed construction companies in Poland, Foundation for Strategic Competencies Development and PKO BP S.A. – the largest bank in Central and Eastern Europe where she also acts as the Vice President of the Audit Committee of the Bank. Due to business relations and leadership development programs run for executive directors she has an extensive network in many sectors of the Polish market.

Łukasz Rozdeiczer-Kryszkowski

Mr. Łukasz Rozdeiczer-Kryszkowski is the founder and Chairman of BATNA Group Sp. z o.o., as well as the Country Manager (for Poland) of Chartered Institute of Procurement and Supply. He is an experienced lawyer (he practiced in Poland, the United States and United Kingdom), mediator and arbitrator. He specializes in complex transactions, arbitral disputes and corporate governance.

Mr. Rozdeiczer is the Adjunct Professor of Law at the Georgetown University (Law Center) in Washington DC and a lecturer in the School of International Arbitration, Queen Mary College, University of London, where he teaches negotiation and mediation. For several years he worked at Harvard Law School (Program on Negotiation), first as Senior Fellow of Law and Negotiation and then as Research Associate. Mr. Rozdeiczer has also vast experience in conflict and crisis management. In the years 2003-2004 he was a Board Member of the Harvard Mediation Program. Previously Mr. Rozdeiczer worked at Clifford Chance, the World Bank/International Finance Corporation and CMS Cameron McKenna.

Mr. Rozdeiczer currently serves as Member of the Supervisory Board of Jastrzębska Spółka Węglowa S.A. and Krakowiaków Nieruchomości Sp. o.o. In the past he was the Chairman of the Supervisory Board at Libella Sp. z o.o.

Mr. Rozdeiczer is a graduate from law studies at Warsaw University and Harvard University, as well as from specialized studies at Cambridge University and London University (degrees in International Commercial Arbitration and Corporations, European Law).

Krzysztof A. Rozen

Mr. Krzysztof A. Rozen holds the degree of Master of Economic Science from Warsaw School of Economics, Foreign Trade Faculty (1986, Individual Studies Program) and Master of Business Administration with Honors from Rotman School of Management, University of Toronto (1993). He obtained in Canada a license of broker of securities in 1990 and a license of broker of derivatives in 1991. Additional he attended following courses: Canadian Securities Course (Honors), Canadian Options Course, Role of Supervisory Board and cooperation with Management Board, Effective Time Management, Leadership Coaching, Intellectual Work and Energy Management, Effective Motivation.

Mr. Rozen currently serves as the member of the Supervisory Board and Chairman of the Audit Committee at Wirtualna Polska Holding S.A. and member of the Supervisory Board at Plus Bank S.A.

In the years 1998-2014 Mr. Rozen worked for KPMG, where he started and led Corporate Finance Department and a Team of Energy and Natural Resources within KPMG Poland. Mr. Rozen ran also a Team of Mergers and Acquisitions for CEE Markets (16 countries) and was one of eight members of European Board of Corporate Finance. Corporate Finance Department consisted of 40 team members and provided advisory services in mergers and acquisitions, debt financing and valuations. Mr. Rozen also coordinated interdisciplinary team of Energy and Natural Resources, being responsible for relations with the clients (KGHM, JSW, PSE, PGE, Tauron, Enea, ZE PAK, Gaz System). Prior KGHM, Mr. Rozen worked for Citibank in Warsaw, International Finance Corporation in Washington and Toronto Dominion Bank in Toronto. In Citibank he started the first in Poland team of corporate loans syndication. In ICF was responsible for privatization of cement sector in Poland

(Cementownie Odra, Górażdże, Strzelce, Ożarów, Warta). In Toronto Dominion Bank Mr. Rozen worked as a securities broker.

Mr. Rozen has a vast experience in financial analyses, assessment of investment projects as well as drafting and verification of development strategies (with focus on financing, project management and leading interdisciplinary teams of M&A, consolidation and restructuring). Mr. Rozen is familiar with the standards of corporate governance as well as best practices for Supervisory Boards.

He act socially as the Chairman of Development Committee in the Museum of the History of Polish Jews, Member of Foreign Trade Corporation in Warsaw School of Economics, Member of American and Canadian Chamber of Commerce. Mr. Rozen is also a frequent participant and speaker during major economic congresses in Poland: Krynica, Sopot, Katowice, author of feature articles in economic magazines and commentator in radio TOK FM.

Steven Kent Winegar Clark

Mr. Steve Winegar began his career with Arthur Andersen & Co. in 1970 and was with them for seven years; first in the Houston, Texas office and then Madrid, Spain. In 1977 he joined MSD Pharmaceuticals as CFO of its subsidiary in Colombia and in 1979 the same position in Italy. In 1980 he was named managing director of MSD´s subsidiary in Greece/Turkey and in 1984, Spain. In 1985 he moved to Bristol-Myers Spain as managing director. He entered the restaurant sector in 1987 as CEO of Foster´s Hollywood Restaurants and co-founded Grupo Zena de Restauración in 1993. After the sale of the majority control to CVC Capital Partners in 2001 he founded Restauravia Grupo de Restauración in 2003 with Corpfin Capital entering into the capital structure in 2006. AmRest acquired a majority control of the company in 2011 and the balance in 2013. He continued to serve as its CEO until October 2014.

Mr. Winegar is a Certified Public Accountant (CPA), a past President of the American Chamber of Commerce in Spain, a trustee of the American School of Madrid (for 25 years) and a former board member of Telepizza SAU. Currently is a Vice-Chairman of Sabertia Capital Partners..

Luis Miguel Álvarez Pérez

Mr. Luis Miguel Álvarez Pérez is a Board Member, Audit Committee Member and Investment Committee Member of Fianccess, S.A.P.I. (since 2013). He is also the Founder, Chairman of the Board and CEO of Compitalia, S.A. de C.V., a family investment company business which primarily invests directly in target companies through equity holdings and real estate investments, primarily in sectors such as: clean energy, biofuels, oils and derivatives, quick service restaurants, real estate projects and financial funds.

For over 25 years he occupied different positions on several Grupo Modelo´s subsidiaries and headquarters (including the Vertical Companies Director of Grupo Modelo, S.A.B. de C.V., President & General Manager of Gmodelo Agriculture, LLC., Idaho Falls, Idaho, Vice President & General Manager of Gmodelo Agriculture, Inc.). He has also spent 8 years of his career in Grupo Modelo in Idaho Falls, ID, USA as the President and General Manager of a new malting plant facility.

Mr. Álvarez Pérez continues to be actively involved as a board member of different companies and NGO´s. Apart from various positions in Finaccess, he is currently a Board Member of BioFin Services, S.A. de C.V. (SOFOM ENR), Biofields, S.A., Algenol, LLC, Christel House Mexico, A.C., Sueños y Conceptos Inmobiliarios, S.A. de C.V., Grupo Aradam, SAPI and the Chairman of the Board of Tenedora Santa Hortensia, SAPI. and Fornix, S.A. de C.V. His former board positions include: Alternate Board Member and Executive Committee Member of Grupo Modelo, S.A.B. de C.V., Board Member and Executive Committe Member of InteGrow Malt, LLC., as well as Board Member of Impulsora Agrícola, S.A. and International CO2 Extraction, LLC.

Mr. Álvarez Pérez graduated from Universidad Iberoamericana (Industrial Engineering) and completed the International Management Program at Ft. Lauderdale, Flo. (IPADE), PADI – International Top Management Program (ITAM, Ashridge, Kellog, IMD, Standford) and the Building Skills for Success program at Wharton.

José Parés Gutiérrez

Mr. José Parés Gutiérrez is a Senior Executive with extensive international experience and a proven track record in marketing, sales, operations finance and management.

Since 2013 he is the Chief Executive Officer of Finaccess Capital (Mexico), responsible for managing several hundreds of million dollars portfolio. He is also the Director of the Board of Crown Imports, Chicago, Il, the Vice Chairman of the Board of MMI, Toronto, Canada, Director of the Board of DIFA, Mexico and former member of the Beer Chamber of Mexico.

Previously, Mr. Parés Gutiérrez worked for 19 years in Grupo Modelo (Mexico), in various positions. During last 5 years of employment, including financial crisis years, he contributed as the Vice President of Marketing and Sales International to growth of Grupo Modelo's revenue from USD 1 billion to USD 3 billion.

Mr. Parés Gutiérrez graduated from Universidad Panamericana, Mexico (Business and Finance) and completed his MBA at ITAM, Mexico as well as the Business D-1 Program at IPADE, Mexico and Executive Programme at Wharton, San Francisco.

On September 30th, 2015 the Management Board of AmRest announced that during the Supervisory Board meeting held on September 29th, 2015, the Supervisory Board resolved to appoint Mr. José Parés Gutiérrez as the Chairman of the Supervisory Board (Resolution 1/09/2015). The resolution came into force on the date of its adoption.

6.3. Composition of the Management and the Supervisory Boards

Management Board

In 2015, the Management Board of AmRest comprised:

- Wojciech Mroczyński,
- Mark Chandler,
- Drew O'Malley,
- Jacek Trybuchowski,
- Oksana Staniszewska (starting from December 8th, 2015),
- Olgierd Danielewicz (starting from December 8th, 2015).

Supervisory Board

In 2015, the Supervisory Board of AmRest comprised:

- Henry McGovern (Chairman of the Supervisory Board until September 10th, 2015),
- Raimondo Eggink,
- Per Steen Breimyr (until August 12th, 2015),
- Peter A. Bassi (until August 12th, 2015),
- Joseph P. Landy (until August 18th, 2015),
- Amr Kronfol (until August 18th, 2015),
- Bradley D. Blum (until September 21st, 2015),
- Zofia Dzik (starting from August 12th, 2015),
- Krzysztof A. Rozen (starting from August 12th, 2015),
- José Parés Gutiérrez (starting from September 21st, 2015; from September 29th, 2015 Chairman of the Supervisory Board),
- Luis Miguel Álvarez Pérez (starting from September 21st, 2015),
- Łukasz Rozdeiczer-Kryszkowski (starting from October 20th, 2015),
- Steven Kent Winegar Clark (starting from October 20th, 2015).

As at the date of publication of this report, the above lists reflect the current composition of the Company's Supervisory Board and Management Board.

6.4. Functional description of the management and supervisory bodies

The Management Board shall manage the Company's affairs and represent it. Each member of the Management Board shall be authorized to represent the Company on his/her own.

The Supervisory Board oversees the affairs of the Company conducted by the Management Board.

The obligations of the Supervisory Board shall comprise inter alia:

- assessment of the report of the Management Board on the Company's operation (Directors' Report) and the financial statements for a given financial year as to their compliance with the books of account and documents as well as the facts;
- assessment of the motions of the Management Board concerning distribution of profit or coverage of losses;
- submitting to the General Shareholders' Meeting of an annual written report on the results of the assessments listed above;
- choosing of a statutory auditor in order to audit the financial statements;
- approval of the annual and long term business plans of the Company.

There are the following Supervisory Board committees in the Company: the Audit Committee and the Remuneration Committee.

7. Financial and asset position of the Group

7.1. Assessment of the Group's results and the structure of its balance sheet

TABLE 3. KEY FINANCIAL CONSOLIDATED DATA OF AMREST (2014–2015)

PLN '000, unless stated otherwise	**2014**	**2013**
Sales revenue	3 338 740	2 952 651
Operating profit before depreciation and amortization (EBITDA)	436 472	356 374
Operating margin before depreciation and amortization (EBITDA margin)	*13.1%*	*12.1%*
Adjusted operating profit before depreciation and amortization (adjusted EBITDA)*	466 895	381 981
*Adjusted operating margin before depreciation and amortization (adjusted EBITDA margin)**	*14.0%*	*12.9%*
Operating profit (EBIT)	195 743	109 895
Operating margin (EBIT margin)	*5.9%*	*3.7%*
Net profit (attributable to AmRest shareholders)	160 036	51 667
Net margin	*4.8%*	*1.7%*
Equity	1 104 074	975 642
Return on equity (ROE)	*14.5%*	*5.3%*
Total assets	2 849 124	2 621 843
Return on assets (ROA)	*5.6%*	*2.0%*

* Amounts net of costs of new openings (start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction), corrections in indirect taxes and the effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

Definitions:

Operating margin before depreciation and amortization – operating profit before amortization and depreciation (EBITDA) to sales;

Operating margin – operating profit to sales;

Net margin – net profit to sales;

Return on equity (ROE) – net profit to average equity;

Return on assets (ROA) – net profit to average assets.

TABLE 4. LIQUIDITY ANALYSIS (IN THE YEARS 2014-2015)

PLN ’000, unless stated otherwise	**2015**	**2014**
Current assets	523 772	401 073
Inventory	64 346	51 638
Short-term liabilities	565 433	353 195
Current ratio	*0.93*	*1.14*
Quick ratio	*0.81*	*0.99*
Cash and cash equivalents	317 871	257 171
Cash ratio	*0.56*	*0.73*
Inventory turnover (in days)	*6.20*	*5.74*
Trade and other receivables	92 090	66 345
Trade receivables turnover (in days)	*7.38*	*8.47*
Operating ratio (cycle) (in days)	*13.58*	*14.21*
Trade and other short-term payables	461 774	344 873
Trade payables turnover (in days)	*39.64*	*36.33*
Cash conversion ratio (in days)	*-26.06*	*-22.12*

Definitions:

Current ratio – current assets to current liabilities;

Quick ratio – current assets net of inventories to current liabilities;

Cash ratio – cash and cash equivalents to current liabilities at the end of the period;

Inventories turnover ratio (in days) – average inventories to sales multiplied by the number of days in the period;

Trade and other receivables turnover ratio (in days) – average trade receivables to sales multiplied by the number of days in the period;

Operating ratio (cycle) (in days) – total of inventories turnover and receivables turnover;

Trade and other payables turnover ratio (in days) – ratio of average trade payables to sales multiplied by the number of days in the period;

Cash conversion ratio – difference between the operating ratio (cycle) and the trade payables turnover ratio.

TABLE 5. DEBT ANALYSIS (IN THE YEARS 2014–2015)

PLN '000, unless stated otherwise	2015	2014
Non-current assets	2 325 352	2 220 770
Liabilities	1 745 050	1 646 201
Long-term liabilities	1 179 617	1 293 006
Debt	1 125 364	1 116 384
Share of inventories in current assets (%)	*12.3%*	*12.9%*
Share of trade receivables in current assets (%)	*17.6%*	*16.5%*
Share of cash and cash equivalents in current assets (%)	*60.7%*	*64.1%*
Equity to non-current assets ratio	0.47	0.44
Gearing ratio	0.61	0.63
Long-term liabilities to equity ratio	1.07	1.33
Liabilities to equity ratio	1.58	1.69
Debt/equity	1.02	1.14

Definitions:

Share of inventories, trade receivables, cash and cash equivalents in current assets – ratio of, respectively, inventories, trade receivables and cash and cash equivalents to current assets;

Equity to non-current assets ratio – equity to non-current assets;

Gearing – liabilities and provisions as at the end of a given period to the balance sheet total;

Long-term liabilities to equity – long-term liabilities as at the end of a given period to the value of equity;

Liabilities to equity – liabilities and provisions as at the end of a given period to the value of equity;

Debt – total long-term and short-term loans and borrowings.

Consolidated sales of AmRest Group grew by 13.1% in 2015 compared to the prior year (from PLN 2 953m to PLN 3 339m).

Strong top line growth was largely driven by dynamic pace of new openings as well as maintained positive LFL trends.

Upward sales trends in comparable restaurants were observed in most of brands and markets of AmRest's operation in 2015. The largest portion of growth came from core markets of AmRest – CE and Spain, where stable LFL trends in each of the brands were maintained (in particular brands double-digit growth was achieved).

In Russia, despite unfavorable economic and political environment, KFC business witnessed continuously growing demand from the customers, resulting in more frequent visits in restaurants and double-digit LFL trends (in RUB). In New Markets the growth of comparable sales was weaker than year ago due to softened LFL trends in Blue Frog restaurants.

*TABLE 6. KEY FINANCIALS OF AMREST GROUP BY DIVISION (Q4 2014 AND Q4 2015)**

PLN '000	Q4 2015			Q4 2014		
		Share	*Margin*		*Share*	*Margin*
Sales	**917 874**			**799 592**		
Poland	*358 583*	*39.1%*		*318 682*	*39.9%*	
Czech Republic	*120 255*	*13.1%*		*99 989*	*12.5%*	
Other CE	*79 416*	*8.7%*		*52 078*	*6.5%*	
Total CE	558 254	60.8%		470 749	58.9%	
Russia	101 099	11.0%		103 189	12.9%	
Spain	197 390	21.5%		170 019	21.3%	
New Markets	61 131	6.7%		55 635	7.0%	
EBITDA	**115 351**		12.6%	**100 865**		12.6%
Poland	*50 299*		*14.0%*	*40 965*		*12.9%*
Czech Republic	*22 423*		*18.6%*	*15 411*		*15.4%*
Other CE	*13 090*		*16.5%*	*5 822*		*11.2%*
Total CE	85 812		15.4%	62 198		13.2%
Russia	6 517		6.4%	9 361		9.1%
Spain	40 646		20.6%	38 351		22.6%
New Markets	-1 818		-	-2 844		-
Unallocated	-15 806		-	-6 201		-
Adjusted EBITDA**	**121 122**		13.2%	**109 722**		13.7%
Poland	*44 506*		*12.4%*	*43 441*		*13.6%*
Czech Republic	*22 798*		*19.0%*	*16 040*		*16.0%*
Other CE	*13 703*		*17.3%*	*6 297*		*12.1%*
Total CE	81 007		14.5%	65 778		14.0%
Russia	11 317		11.2%	12 562		12.2%
Spain	42 022		21.3%	41 164		24.2%
New Markets	-1 363		-	-3 581		-
Unallocated	-11 861		-	-6 201		-
EBIT	**38 896**		4.2%	**9 056**		1.1%
Poland	*24 782*		*6.9%*	*13 673*		*4.3%*
Czech Republic	*15 726*		*13.1%*	*8 954*		*9.0%*
Other CE	*5 065*		6.4%	*-1 316*		-
Total CE	45 573		8.2%	21 310		4.5%
Russia	-708		-	89		0.1%
Spain	26 506		13.4%	26 143		15.4%
New Markets	-16 621		-	-32 188		-
Unallocated	-15 854		-	-6 298		-

* Data have not been audited

** EBITDA adjusted by costs of new openings (start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction), corrections in indirect taxes and the effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

TABLE 7. KEY FINANCIALS OF AMREST GROUP BY DIVISION (2014 – 2015)

PLN '000	2015			2014		
		Share	*Margin*		*Share*	*Margin*
Sales	**3 338 740**			**2 952 651**		
Poland	*1 331 156*	*39.9%*		*1 193 706*	*40.4%*	
Czech Republic	*415 848*	*12.5%*		*358 919*	*12.2%*	
Other CE	*240 786*	*7.2%*		*175 098*	*5.9%*	
Total CE	1 987 790	59.5%		1 727 723	58.5%	
Russia	402 838	12.1%		410 858	13.9%	
Spain	704 412	21.1%		621 559	21.1%	
New Markets	243 700	7.3%		192 511	6.5%	
EBITDA	**436 472**		13.1%	**356 374**		12.1%
Poland	*184 924*		*13.9%*	*164 409*		*13.8%*
Czech Republic	*71 610*		*17.2%*	*52 032*		*14.5%*
Other CE	*34 796*		*14.5%*	*15 267*		*8.7%*
Total CE	291 330		14.7%	231 708		13.4%
Russia	40 457		10.0%	43 217		10.5%
Spain	146 363		20.8%	130 871		21.1%
New Markets	-1 638		-	-32 505		-
Unallocated	-40 040		-	-16 917		-
Adjusted EBITDA*	**466 895**		14.0%	**381 981**		12.9%
Poland	*182 976*		*13.7%*	*171 676*		*14.4%*
Czech Republic	*72 842*		*17.5%*	*54 041*		*15.1%*
Other CE	*36 525*		*15.2%*	*16 106*		*9.2%*
Total CE	292 343		14.7%	241 822		14.0%
Russia	49 653		12.3%	51 154		12.5%
Spain	148 935		21.1%	134 951		21.7%
New Markets	1 761		0.7%	-29 029		-
Unallocated	-25 797		-	-16 917		-
EBIT	**195 743**		5.9%	**109 895**		3.7%
Poland	*94 646*		*7.1%*	*74 087*		*6.2%*
Czech Republic	*47 154*		*11.3%*	*24 916*		*6.9%*
Other CE	*15 977*		6.6%	*-2 555*		-
Total CE	157 777		7.9%	96 448		5.6%
Russia	14 001		3.5%	14 946		3.6%
Spain	94 386		13.4%	86 836		14.0%
New Markets	-30 188		-	-71 323		-
Unallocated	-40 233		-	-17 012		-

* EBITDA adjusted by costs of new openings (start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction), corrections in indirect taxes and the effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

Favorable macro trends in core markets of CE and Spain, growing consumer confidence and continued growth of comparable sales justify further expansion in number of AmRest's restaurants. 99 new locations opened in 2015 (including 17 franchised stores), together with openings in 2014, additionally increased consolidated revenues of the Group. Acquisition of Starbucks chain in Romania and Bulgaria (23 stores) in June 2015 also supported that growth.

Russian division was the only market, where sales declined (-2% vs 2014). The revenues in 2015 amounted to PLN 403m and were lower by PLN 8m compared to the previous year, which was solely the effect of weaker ruble. In local currencies sales grew by 30.1%

In Q4 2015 consolidated revenues of AmRest amounted to PLN 918m and were higher by 18.8% than year ago. The strongest growth was observed in CE (+18.6%). In Spain, thanks to solid LFL trends and dynamic expansion in number of restaurants, revenues increased by 16.1%. New Markets division's top line grew by 9.9% on the back of Blue Frog new openings, while in Russia 2% decline in sale was observed (effect of ruble depreciation).

On the back of solid top line growth and continued improvement of cost effectiveness AmRest Group delivered record high financial results for 2015 year. Operating profit of the company (EBIT) amounted to PLN 196m and was 78.1% higher than year ago. EBIT margin grew by 2.2pp and reached 5.9% in 2015. Favorable trends in food prices in observed in main markets of AmRest operation supported by supply chain management savings strengthened gross margin of the Group. Effective negotiations of lease rates resulted in decreased cost of rent. In 2015 the Group recorded relatively lower depreciation cost as a result of reduced Capex spending (savings in the average cost of new opening were achieved). Continued positive trends in performance of restaurants together with improved process of market planning accuracy of site selection translated into better quality of asset portfolio and PLN 14m decrease in fixed assets impairments (to PLN 17m in 2015) Additionally, 2015 EBITDA profit was negatively impacted by PLN 17m accounting cost of cash settlement of employees benefits related to stock option plan.

AmRest Group's EBITDA for 2015 increased by 22.5% compared to previous year and reach a record high level of PLN 436m. EBITDA margin amounted to 13.1% and was 1pp higher than year ago. Q4 2015 was another strong quarter for the Group, with EBITDA again exceeding PLN 100m and reaching PLN 115m. EBITDA margin for the quarter was on par with previous year level of 12.6%

EBITDA adjusted by costs of new openings, mergers and acquisitions, corrections in indirect taxes and accounting effect of stock option plan exercise method modification stood at PLN 467m in 2015 and was PLN 85m higher compared to previous year, which represented 22.2% growth. Adjusted EBITDA margin increased to 14% in 2015.

AmRest Group continued development strategy focused on the core markets of operation – CE and Spain, which resulted in further growth of EBITDA in these regions (+25.7% and +11.8% respectively). Maintained stable sales trends and lower food prices significantly improved gross margins in these markets.

The most dynamic EBITDA growth in CE was observed in the segment "Other CE" (increase of PLN 20m vs 2014). Continued margin improvement in all brands of Hungary and the Balkans was supported by the acquisition of Starbucks business in Romania and Bulgaria. Profitability of acquired Starbucks chains is the highest across the Group, which positively contributed to total results of the region.

In Czech Republic EBITDA grew by 37.6% compared to 2014 (PN 20m growth). EBITDA margin strengthened by 2.7% to the level of 17.2%. significant improvement in margins was achieved on the back of double-digit LFL trends in all three brands as well as further savings in operating costs.

Growing number of customers visiting AmRest's restaurants and stable LFL trends across the market supported PLN 20m growth of EBITDA in Poland. 2015 EBITDA margin increased by 0.1pp to the level of 13.9%. Favorable developments in food cost and improved gross margin were partly consumed by the pressure on labor costs and one-off expenses related to the closure of two Burger King and one Starbucks stores.

Spanish division remains the most profitable region of AmRest Group. PLN 15m increase of EBITDA in 2015 was mostly driven by solid top line growth and savings in food cost. EBITDA margin reached 20.8%, representing 0.3pp decline compared o 2014. The deterioration resulted mainly from increased marketing expenses and non-recurring costs of closing 1 restaurant. As positive macro trends in Spain continue, base business is very strong and new openings' performance exceeds expectations, profitability of Spanish division should strengthen in the future.

As previously communicated, the results of New Markets significantly improved in 2015. Deep restructuring of the business, closure of non-performing La Tagliatella restaurants and focus on development of Blue Frog brand in China translated into substantial reduction of losses of this division (New Market's EBITDA in 2015 increased by PLN 31m). AmRest is focused on the expansion of Blue Frog in China, which will allow to benefit from the economies of scale. Long-awaited opening of flagship restaurant in Shanghai Disney Resort in mid-

2016 is expected to drive the brand awareness among Chinese customers. Along with the growing presence of Blue Frog restaurants in China, further improvement of New Markets' profitability is anticipated.

Economic and political environment remained a negative factor on performance of Russian division. Given the maintained uncertainty of future developments in the region, the Group decided to limit investment activity and focus on cost saving initiatives to protect margins of the business. Double-digit LFL growth together with disciplined cost management allowed to keep EBITDA margin at 10% in 2015. Improved labor efficiency together with successful negotiations of food cost and lease agreements enhanced profitability. Due to decreased scale of investments, pre-opening cost of new builds were also reduced.

Net profit of the Group for 2015 tripled compared to previous year and amounted to PLN 160m. Record high bottom line result, apart from the solid performance improvement in restaurants, was also driven by PLN 7m savings achieved in financial costs.

At the end of 2015 the liquidity ratios reflected solid balance sheet structure of the Group. The long-term debt ratio decreased to 1.07 at the end of the year as a result of reclassification of part of the debt as short-term. Net debt calculated for contractual covenants as at the end of 2015 amounted to PLN 817m. Net debt/EBITDA ratio amounted to 1.85.

7.2. Assessment of future ability to settle incurred liabilities

The Consolidated Financial Statements for the period of 12 months ending 31 December 2015 were prepared in accordance with going concern assumption by the Group in foreseeable future what assumes realization of assets and liabilities throughout the normal terms of Group business operations. The Annual Consolidated Financial Statements do not contain any adjustments that would be necessary in such circumstances. In the opinion of the Management Board, as at the date on which the Consolidated Financial Statements were drawn up, there were no circumstances indicating any threat to the Company continuing as a going concern.

7.3. Financial instruments in AmRest

AmRest uses the following financial instruments: loans, borrowings, bonds and forward transactions.

At 31 December 2015 the AmRest Group held the following credit lines available for use (in respect of foreign currency loans, their amounts are given in PLN, translated at the NBP rate prevailing on 31.12.2015):

- ING Bank (Czech) – PLN 8 526 thousand (bank overdraft),
- Bank Pekao S.A., Bank Zachodni WBK S.A., ING Bank Śląski S.A., Bank BGŻ BNP Paribas S.A. (Poland) – PLN 200 000 thousand (revolving loan in PLN, tranche D),
- Bank Pekao SA (Poland) – PLN 15 000 thousand (cash pool limit),
- Bank of China (China) – PLN 4 807 thousand (short term loan).

Detailed information on loans, borrowings and bonds as at 31 December 2015 are presented in Note 18 to the Consolidated Financial Statements and in Appendix No. 10 of the Supplement to the Directors' report.

Other financial instruments as at 31 December 2015, are described in Note 31 of the Consolidated Financial Statements.

7.4. Structure of key investments and capital expenditure projects

As at 31 December 2015, AmRest's capital expenditure projects amounted to PLN 828 thousand. They are related to SCM s.r.o. shares.

7.5. Description of key domestic and foreign investments

Increases in non-current assets in the years 2014 and 2015 are shown in the table below.

TABLE 8. THE GROUP'S PURCHASES OF NON-CURRENT ASSETS (2014–2015)

PLN '000	2015	2014
Intangible assets, including:	**74 751**	**18 486**
Licences for use of Pizza Hut, KFC, Stabucks and Burger King trademarks	9 314	9 133
Goodwill	2 150	-
Other intangible assets	63 287	9 353
Fixed assets, including:	**268 995**	**299 797**
Land	-	6 273
Buildings	159 102	139 399
Equipment	87 540	82 636
Vehicles	2 872	525
Other (including fixed assets under construction)	19 481	70 964
Total	**343 746**	**318 283**

Capital expenditure incurred by AmRest Group in 2015 related mainly to construction of new restaurants, renovation of existing portfolio and acquisition of 23 Starbucks coffee shops in Romania and Bulgaria in June 2015. The increase in capital expenditure by PLN 25m compared to previous year resulted from the mentioned acquisition (PLN 67m). Remaining capital expenditure incurred in 2015 was by PLN 41m lower than year before, which was possible thanks to further savings in the build costs of new units. In 2015 capital expenditure was financed mainly with cash flows generated on operating activities of the business.

As at the end of 2015, AmRest was operating 904 restaurants (800 as at the end of 2014). In 2015 the Group opened 99 new restaurants, acquired 23 restaurants, 18 restaurants were closed.

TABLE 9. NUMBER OF AMREST RESTAURANTS AS AT 31 DECEMBER 2015

	AmRest	Franchisees	Total
As at the end of 2014	694	106	**800**
Openings	82*	17	**99**
Closings	-17*	-1	**-18**
Lasting relocations	0	0	**0**
Acquisitions	23	0	**23**
Total	**782**	**122**	**904**

* Data include 5 relocations completed in 2015 (2 restaurants were closed in 2012 and 3 in 2015; all 5 restaurant were reopened in 2015)

As at March 11th, 2016 AmRest operates 908 restaurants.

TABLE 10. NUMBER OF AMREST RESTAURANTS AS AT THE DATE OF PUBLICATION OF THE REPORT

Countries	Brands	31-12-2014	31-03-2015	30-06-2015	30-09-2015	31-12-2015	11-03-2016
Poland	**TOTAL**	**320**	**323**	**328**	**335**	**346**	**346**
	KFC	191	190	193	197	206	206
	BK	32	32	33	33	33	33
	SBX	38	38	38	41	40	40
	PH	59	63	64	64	67	67
Czech	**TOTAL**	**94**	**96**	**98**	**99**	**102**	**103**
	KFC	68	69	69	69	71	71
	BK	7	7	7	7	7	7
	SBX	19	20	22	23	24	25
Hungary	**TOTAL**	**42**	**42**	**43**	**46**	**49**	**49**
	KFC	30	30	31	33	35	35
	SBX	10	10	10	11	12	12
	PH	**2**	**2**	**2**	**2**	**2**	**2**
Russia	**TOTAL**	**101**	**105**	**105**	**105**	**109**	**109**
	KFC	92	96	96	96	101	101
	PH	9	9	9	9	8	8
Bulgaria	**TOTAL**	**6**	**6**	**11**	**11**	**11**	**11**
	KFC	6	5	5	5	5	5
	BK	1	1	1	1	1	1
	SBX			5	5	5	5
Serbia	**TOTAL**	**5**	**5**	**5**	**5**	**5**	**5**
	KFC	5	5	5	5	5	5
Croatia	**TOTAL**	**5**	**5**	**5**	**5**	**5**	**5**
	KFC	5	5	5	5	5	5
Romania	**TOTAL**			**18**	**19**	**19**	**19**
	SBX			18	19	19	19
Spain	**TOTAL**	**190**	**193**	**199**	**204**	**216**	**218**
	TAG - own restaurants	57	58	59	63	65	65
	TAG - franchised units	101	103	108	108	115	116
	KFC	32	32	32	33	36	37
France	**TOTAL**	**8**	**9**	**9**	**9**	**10**	**10**
	TAG - own restaurants	4	4	4	4	4	4
	TAG - franchised units	4	5	5	5	6	6
Germany	**TOTAL**	**3**	**3**	**3**	**2**	**2**	**2**
	TAG - own restaurants	3	3	3	2	2	2
China	**TOTAL**	**22**	**22**	**26**	**27**	**29**	**30**
	Blue Frog	17	18	23	24	25	26
	KABB	3	3	3	3	4	4
	TAG - own restaurants	2	1	0	0	0	0
USA	**TOTAL**	**4**	**1**	**1**	**1**	**1**	**1**
	TAG - own restaurants	3	1	1	1	1	1
	TAG - franchised units	1	0	0	0	0	0
TOTAL AmRest		**800**	**810**	**851**	**868**	**904**	**908**

7.6. Insurance contracts

TABLE 11. INSURANCE CONTRACTS (AS AT THE END OF 2015)

The Insured	Type of insurance	The Insurer
A master property insurance policy for all companies CEE and Russia (in each country a local policy was underwritten by a company from the VIG GROUP or a cooperating company, with reference to the master policy)	All risks property insurance All risks insurance of loss of profit Electronic property policy insurance	TU COMPENSA S.A. Vienna Insurance Group [local policies underwritten by the VIG GROUP companies (excluding Russia) with reference to the master policy]
A master general liability insurance policy for all operations of all companies CEE and Russia (in Serbia, Croatia and Russia local policies were issued referring to the MASTER POLICY)	General liability insurance in respect of operations and property with extensions	TU COMPENSA S.A. Vienna Insurance Group [local policies underwritten by VIG GROUP company in Serbia and Croatia and policy underwriten by ACE INSURANCE COMPANY RUSSIA]
A policy underwritten in Spain covering Spain, France and Germany	All risks property insurance All risks insurance of loss of profit General liability cover	AIG
A policy underwritten in Spain covering Spain, France and Germany	Cargo transport Construction All Risk	Tokio Marine HDI
Policy for companies in USA	General liability cover	Essex Insurance Company
Policy for companies in China	All risks property insurance General liability cover Cash insurance	AIG, AXA
Policy for companies in China	Employer liability insurance Group Health Insurance for Employee	CPIC Met Life
General liability policy for the authorities of the commercial companies for all Group companies including the USA	D&O insurance	ACE European Group Limited [local policy in China underwritten by Huatai and in Serbia underwritten by Wiener Śtaedtische VIG]
Motor insurance in Poland	All risks, Third party and Accident insurance	Ergo Hestia

7.7. Major events with a significant impact on the Company's operations and results

On February 24th, 2015 the Management Board of AmRest informed that on February 23rd, 2015 the Supervisory Board of AmRest appointed PricewaterhouseCoopers Sp. z o.o., with its seat in Warsaw, Al. Armii Ludowej 14, listed on the list of registered auditors under no. 144, to conduct audit of the stand-alone and consolidated financial statements of the Company and AmRest Holdings SE capital group for 2015, 2016 and 2017. The mentioned entity conducted audit of AmRest's financial statements in 2006 - 2014 period.

On March 5th, 2015 the Management Board of AmRest announced the entering into the Share Purchase Agreement ("SPA"), dated March 4th, 2015, between AmRest Sp. z o.o. („AmRest Poland") and Marinopoulos Coffee SEE B.V. ("Seller"). AmRest Poland acquires 100% shares of S.C. Marinopoulos Coffee Company III S.r.l. ("MCC Romania") and Marinopoulos Coffee Company Bulgaria EOOD ("MCC Bulgaria") at estimated price of ca. EUR 16m. Final purchase price was to be determined as at the day of closing of the transaction.

MCC Romania and MCC Bulgaria were sole operators of Starbucks coffee stores. At the date of signing the SPA the Seller operated 19 units – 14 in Romania and 5 in Bulgaria. The development plan assumed opening of 7 new Starbucks locations in Romania by the end of 2015. The estimated revenues of MCC Romania and MCC Bulgaria in 2014 amounted to ca. EUR 10m while EBITDA profit was expected at ca. EUR 2m.

The intention of both parties was to finalize the transaction by May 15th, 2015 ("Closing"). Closing was to be a subject to conditions preceding, e.g.: consent of the owner of Starbucks brand, landlords' approvals and satisfactory result of due diligence performed on MCC Bulgaria.

The acquisition of MCC Romania and MCC Bulgaria was aimed to strengthen the restaurant industry leader position of AmRest in Central and Eastern Europe. The addition of well positioned Starbucks business to AmRest's current portfolio is accretive to AmRest's margins and shall contribute to value creation for its shareholders.

On May 9th, 2015 the Management Board of AmRest announced signing on May 8th, 2015 an addendum ("the Addendum") to Share Purchase Agreement ("SPA") between AmRest Sp. z o.o. and Marinopoulos Coffee SEE B.V. ("the Parties").

The subject of the Addendum was to change the date of the transaction closing ("Completion"). In connection with an opposition filed on April 10th, 2015 by the Romanian tax authority (Directia Generala Regionala a Finantelor Publice Bucuresti) against the transfer of shares in S.C. Marinopoulos Coffee Company III S.r.l. to AmRest Sp. z o.o., the Parties agreed that Completion would occur no later than on the fifth business day after the date of receiving by the Parties an notification that the Bucharest Trade Registry Office has registered the cancellation or lifting of mentioned opposition. All other provisions of the SPA remained unchanged.

On June 24th, 2015the Management Board of AmRest informed about the Completion of the SPA on 24th June 2015. As a result of the Completion AmRest Poland acquired 100% shares of S.C. Marinopoulos Coffee Company III S.r.l. ("MCC Romania") and Marinopoulos Coffee Company Bulgaria EOOD ("MCC Bulgaria") at total price of EUR 16.4m.
All conditions precedent and approvals required under the Agreement including in particular the consent of the owner of Starbucks brand, landlords' approvals and satisfactory result of due diligence performed on MCC Bulgaria had been fulfilled.

On October 21st, 2015 AmRest informed that AmRestavia, S.L.U. ("AmRestavia"), a 100% subsidiary of AmRest, acting as the solely member and manager of La Tagliatella – Seneca Meadows, LLC ("Seneca Meadows") adopted on October 20th, 2015 a resolution dissolving Seneca Meadows.

The dissolution was carried out in accordance with the State of Maryland Code and came into force upon its adoption.

Additionally, on October 21st, 2015, AmRestavia acting as the solely member and manager of La Tagliatella – The Promenade, LLC ("The Promenade") adopted a resolution dissolving The Promenade.

The dissolution was carried out in accordance with the State of Virginia Code and came into force upon its adoption.

Dissolution of Seneca Meadows and The Promenade was a result of the cessation of operation of La Tagliatella restaurants in the United States. The last equity restaurant of the brand owned by AmRest was closed on February 28th, 2015.

On January 22nd, 2016 AmRest informed about signing on the same day the termination of the Distribution Agreement concluded on April 17th, 2008 between AmRest Kft (formerly American Restaurants Kft) and AmRest Kávézó Kft (together called "AmRest Hungary") and LDS Disztibútor Szolgáltató Kft (formerly Lekkerland Export-Import Kft, hereinafter "Distributor") ("Agreement"). The Agreement was published in the regulatory announcement RB 23/2008 dated April 18th, 2008.

The subject of the Agreement were distribution services provided by Distributor to the restaurants operated by AmRest Hungary.

Dissolution of the Agreement shall be effective on June 1st, 2016.

The agreement was terminated by AmRest Hungary due to the Company's strategy of consolidating the distribution in Central and Eastern Europe. Termination of the Agreement will not have financial consequences for the Company, as well as its subsidiaries (including AmRest Hungary).

On January 22nd, 2016 AmRest informed also that AmRest Coffee SK s.r.o. and Starbucks EMEA LTD and Starbucks Manufacturing EMEA B.V. (collectively: "Starbucks") signed on January 22nd, 2016 the Area Development and Operation Agreement and Supply Agreement regarding the rights and license to develop, own and operate Starbucks stores in the Slovak Republic (collectively: the "Agreements"). AmRest Coffee SK s.r.o. is the company created by AmRest s.r.o. and AmRest Sp. z o.o., 100% subsidiaries of AmRest. Agreements came into force upon their signing.

The Agreements were concluded for a period of 15 years from the date of their entry into force, with an option to extend the term for an additional 5 years upon the fulfillment of certain conditions. AmRest Coffee SK s.r.o. will be the only entity with the right to develop and operate Starbucks stores in the Slovak Republic during the term of the Agreements with non-exclusive rights to certain institutional locations and sale channels.

The key fees and costs to be borne by the AmRest Coffee SK s.r.o. will be:

- the services fee for initial operation support in an amount equal to the costs incurred by Starbucks in this regard,
- the initial franchise fee of USD 25 thousand for each Starbucks store,
- the continuing licensing and service fee equal to 6% of sales revenues of each Starbucks store,
- the fee creative services equal to 1% of sales revenues of each Starbucks store.
- a local marketing spend obligation is to be mutually agreed annually.

AmRest Coffee SK s.r.o. agreed to open and operate Starbucks stores in strict accordance with the development schedule which includes the minimum numbers of openings in each year within the Agreements' period. If AmRest Coffee SK s.r.o. fails to meet the development obligations, Starbucks will have the right to charge a development default fee or to terminate the Agreements. The Agreements include the provision concerning the purchase of coffee and other basic supplies either from Starbucks or other approved or designated suppliers.

7.8. Information on significant transactions with related parties concluded by the Issuer or its subsidiaries on terms other than market's conditions

In the reporting period there were no transactions with related parties concluded within the AmRest Group on terms other than market's conditions.

7.9. Major achievements of the Company in the field of research and development

The Company does not conduct research and development activities. Innovative products introduced to the menu of restaurants operated by AmRest are described in sections 2.2 and 2.3 of this Report.

8. The AmRest Holdings SE Group in 2015

8.1. Planned investment activities and assessment of their feasibility

Investment activities of AmRest Group are focused on organic growth ensuring value creation for shareholders. According to of 80/20 investment strategy, the capital is primarily allocated towards proven and mature brands yielding the highest returns. As a result the main focus is put on development of KFC and Starbucks brands in Central Europe, and new openings of La Tagliatella in Spain.

Favorable macro trends in CE and Spain, growing average spending on dining out and observed increased number of visits in restaurants of the Group indicate continuation of positive long-term trends in restaurant industry. Additionally, promising performance of the restaurants opened recently justify intensive capital allocation towards mentioned brands. As a result, the scale of investment in new openings in CE and Spain should increase in the future.

In 2015 the Group reduced expansion in Russia and opened 12 new restaurants (compared to 25 new builds in 2014). As political uncertainty and negative macro trends remain, management of the Group monitors the situation with close attention. Return on the path of dynamic growth will be considered upon stabilization of business environment in that region.

In New Markets, expansion of La Tagliatella restaurants outside Spain has been limited to France where modest and well-thought development of the brand is expected. Company will also continue opening of new Blue Frog locations in China at the current pace. With the grand opening of flagship Blue Frog restaurant in Shanghai Disney Resort, brand awareness is expected to improve significantly, which should drive further enhancement of profitability.

The plan of new openings will be adjusted on an on-going basis to the current market conditions and access to attractive locations in each country. Management of the Group is very restrictive and selective in allocation of available capital to ensure minimum 20% IRR on each investment.

AmRest continuously monitors current developments in the M&A market for the potential acquisition that fit in the strategy of the Group. Purchase of Starbucks chains in Romania and Bulgaria in June 2015 was a model example of such transaction, enhancing the scale of Starbucks brand under AmRest umbrella and strengthening Group’s leadership position in CE restaurant market.

Management of the company assumes the long-term growth to be financed mainly with own funds and debt financing.

8.2. External and internal factors which are significant to the Company’s development

Listed below are the factors that, in the opinion of the Management Board, had a significant effect on the Company’s future development and results.

8.2.1. External factors

The external factors include:

- competitiveness – in terms of prices, quality of service, location and quality of food,
- demographic changes,
- trends as to the number of people using the restaurants,
- number and location of the competitors’ restaurants,
- changes in the law and regulations which have a direct effect on the functioning of the restaurants and the employees employed therein,

- change in real estate rental costs and related costs,
- changes in the prices of ingredients used to prepare meals and changes in the prices of packaging materials,
- changes in the general economic condition in Poland, the Czech Republic, Hungary, Bulgaria, Russia, Serbia, Croatia, Romania, Spain, France, Germany, China and the United States,
- changes in consumer trust, the amount of disposable income and individual spending patterns,
- changes in legal and tax determinants,
- adverse changes on the financial markets.

8.2.2. Internal factors

The internal factors include:

- gaining and training the human resources necessary for the development of the existing and new restaurant networks,
- obtaining attractive locations,
- effective launching of new brands and products,
- building an integrated information system.

9. Basic risks and threats to which the Company is exposed

The Management Board of AmRest is responsible for the risk management system and the internal control system as well as for reviewing these systems for operating efficiency. These systems help identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these systems in place does not ensure complete elimination of the risk of fraud and violation of the law. The Management Board of AmRest performed a review, an analysis and a ranking of risks to which the Company is exposed. The main current risks and threats have been summarized in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

9.1. Factors remaining outside the Company's control

This risk is related to the effect of factors remaining outside the Company's control on AmRest's development strategy which is based on opening new restaurants. Such factors include: opportunities for finding and securing available and appropriate locations for restaurants, the ability to obtain the permits required by relevant bodies, the possibility of delays in opening new restaurants.

9.2. Dependency on the franchisor

AmRest manages KFC, Pizza Hut, Burger King and Starbucks (in Romania and Bulgaria) as a franchisee, and therefore a number of factors and decisions related to the business activities conducted by AmRest depend on the limitations or specifications imposed by the franchisors or on their consent.

The duration of the franchising agreements related to the KFC, Pizza Hut and Burger King brands is 10 years. AmRest has the option of extending this period for the next 10 years provided that it meets the conditions specified in the franchising agreements and other requirements, including the payment of the related continuation fee.

Despite meeting the above-mentioned terms, there is no guarantee that after the expiry of these periods a given franchising agreement will be prolonged to the next period. In the case of KFC and Pizza Hut restaurants, the first period commenced in 2000, in the case of Burger King, the first period commenced in 2007 with the opening of the first restaurant of this brand.

Franchise agreements for Starbucks stores in Romania are valid till 2023, while in Bulgaria until 2027.

9.3. Dependency on joint venture partners

AmRest opens Starbucks restaurants through joint venture Companies in Poland, the Czech Republic and Hungary, based on a partnership as part of joint venture agreements. Therefore, some decisions as part of the joint business activities will be dependent on the partners' consent.

The joint venture agreements with Starbucks were concluded for a period of 15 years with a possibility of their extension for the next 5 years upon meeting the specified conditions. Should AmRest fail to comply with the obligation to open and run the minimum specified number of cafés, Starbucks Coffee International, Inc. shall have the right to increase its share in the joint venture companies by acquiring shares from AmRest Sp. z o.o. at a price agreed between the parties based on the valuation of the joint venture companies.

9.4. No exclusive rights

The franchising agreements concerning the running of KFC, Pizza Hut and Burger King restaurants do not contain provisions on granting AmRest any exclusive rights on a given territory, protection or any other rights on the territory, in the area or on the market surrounding AmRest restaurants. However, in practice, due to the scale of AmRest's operations (including a well-developed distribution network), the possibility that a competitive operator (to the brands currently operated by the Company) should appear who would be able to effectively compete with the AmRest Group restaurants is relatively limited.

In the case of Starbucks restaurants, the joint venture companies are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusive rights to some institutional locations. The exclusive rights apply also to restaurants operated in Romania and Bulgaria.

9.5. Rental agreements and continuation options

Almost all AmRest restaurants operate in rented facilities. The majority of the rental contracts are long-term and they are usually concluded for at least 10 years from the date of commencing the rental (assuming that all continuation options are exercised, on specified terms, and not including contracts which are subject to periodic renewal, unless they are terminated, and contracts concluded for an indefinite period). A number of rental contracts grant AmRest the right to prolong the contract provided that the Company complies with the terms of rental. Regardless of whether the terms are complied with or not, there is no guarantee that AmRest will be able to prolong a rental contract on terms satisfactory from the point of view of business practice. If this is not possible a potential loss of important restaurant locations may have an unfavourable effect on AmRest's operating results and its business activities.

Moreover, in certain circumstances AmRest may make a decision to close a given restaurant and terminating the relevant rental contract on cost effective terms may prove impossible. This situation may also have an adverse effect on the business activities and operating results of the Company. Closing any of the restaurants is subject to approval by the franchisor and it is not certain that such approval will be obtained.

In the case of Russian and Chinese restaurants acquired by AmRest accordingly in July 2007 and December 2012, the average term of the rental contracts is relatively shorter compared with AmRest restaurants in the remaining countries. This results from the specific nature of the Russian market.

9.6. Risk related to the consumption of food products

Consumer preferences may change in connection with doubts arising as to the healthful properties of chicken which is the main ingredient in KFC menu, or as a result of unfavourable information being circulated by the mass media concerning the quality of the products, diseases caused by them and damages to health as a result of eating in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB, and as a result of revealing unfavourable data prepared by the government or a given market sector concerning the products served in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB, health-related issues and issues related to the functioning patterns of one or more restaurants run both by AmRest and the competition. The above-mentioned risk is limited by using the highest quality ingredients in AmRest restaurants, which come from reliable and reputable suppliers, compliance with strict quality control and hygiene standards and the use of top modern equipment and processes which ensure the absolute safety of the meals.

9.7. Risk related to keeping key personnel in the Company

The Issuer's success depends to some extent on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Issuer help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. The Issuer believes it will be able to replace its key personnel. Regardless of that, their loss may have a short-term adverse effect on the business activities and operating results of the Issuer.

9.8. Risk related to labour costs of restaurant employees and employing and keeping professional staff

Running catering activities on such a large scale as the Issuer does requires employing a large number of professionals. Excessive outflow of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in Poland, the Czech Republic and Hungary (including in the catering sector) are still decidedly lower than in other European Union countries, there is a risk of outflow of qualified staff and thus a risk of the Company being able to ensure the appropriate staff necessary for providing the highest quality catering services. In order to avoid the risk of losing qualified staff it may be necessary to gradually increase the salary rates, which may have an adverse effect on the financial standing of the Issuer.

9.9. Risk related to limited access to foodstuffs and the variability of their cost

The Issuer’s situation is also affected by the need to ensure frequent deliveries of fresh agricultural products and foodstuffs and anticipating and responding to changes in supplies costs. The Company cannot rule out the risk related to delivery deficits or interruptions caused by factors such as unfavourable weather conditions, changes in legal regulations or withdrawing some foodstuffs from trading. Also the increased demand for certain products accompanied by limited supply may lead to difficulties in obtaining them by the Company or to price increases for those products. Both the deficits and product price increases may have an adverse effect on the Group‘s results, operations and financial standing. In order to mitigate this risk (among others) AmRest Sp. z o.o. concluded a contract with SCM Sp. z o.o. for the provisions of services comprising intermediation and negotiating terms of delivery to restaurants, including negotiating terms of distribution agreements.

9.10. Risk related to developing new brands

AmRest has operated the Burger King, Starbucks, La Tagliatella, Blue Frog and KABB brands for a relatively short time. As these are new concepts for AmRest, there is a risk related to demand for the products offered and their acceptance by customers.

9.11. Risk related to opening restaurants in new countries

Opening or taking over restaurants operating in a new geographical and political area involves the risk of varying consumer preferences, a risk of insufficient knowledge of the market, the risk of legal restrictions arising from local regulations and the political risk of these countries.

9.12. Currency risk

The results of AmRest are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in the individual Capital Group companies. The Company adjusts its currency portfolio of debt to the geographical structure of its profile of activities. Additionally, AmRest uses forward contracts to secure transaction risks on a short term basis.

9.13. Risk related to the current geopolitical situation in the Ukraine and Russia

Russia is one of the largest markets for AmRest. The recent geopolitical and economic turmoil witnessed in the region, in particular the developments in Ukraine, have had and may continue to have a negative impact on the Russian economy, including weakening of the Russian Ruble, higher interest rates, reduced liquidity and consumer confidence. These events, including current and future international sanctions against Russian companies and individuals and the related uncertainty and volatility of the supply chain, may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from management's expectations however it is being monitored in order to adjusts strategic intentions and operational decisions, which will minimize business risks.

9.14. Risk of increased financial costs

The Issuer and its subsidiaries are exposed to the significant adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating and fixed interest rates. The interest rates of bank loans and borrowings and issued bonds is based on floating reference rates which are updated over periods shorter than one year. Interest on financial assets with fixed interest rates is fixed over the entire period to maturity of these instruments. Additionally, the Issuer and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts the valuation of which is significantly affected by the level of reference rates.

9.15. Liquidity risk

The Company is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds.

As at 31 December 2015, the Company has enough short-term assets, including cash and promised credit limits, to fulfil is liabilities due in the next 12 months.

9.16. Risk of economic slowdowns

Economic slowdown in the countries where AmRest runs its restaurants may affect the level of consumption expenditure on these markets, which in turn may affect the results of the AmRest restaurants operating on these markets.

9.17. Risk related to seasonality of sales

The seasonality of sales and inventories of AmRest is not significant, which is typical for the restaurant industry. On the European market restaurants record lower sales in the first half of the year, mainly due to the lower number of sale days in February and the relatively less frequent visits to restaurants.

9.18. Risk of computer system breakdowns and temporary breaks in serving customers in network restaurants

A potential partial or complete loss of data in connection with computer system breakdowns or damage or loss of key tangible fixed assets of the Company might result in temporary interruptions in serving customers in restaurants, which might have an adverse effect on the Group's financial results. In order to minimize this risk, the Issuer has implemented appropriate procedures in order to ensure the stability and reliability of IT systems.

10. Company’s strategic development directions

AmRest’s strategy is to leverage its unique “Anything Is Possible” culture, international capability and superior brand portfolio to grow scalable (min. USD 50m annual sales) and highly profitable (min. 20% IRR) restaurants globally.

In the upcoming years the Group plans to strengthen its leadership position of restaurant sector in Europe. Encouraged by favourable macro trends and solid performance improvement across the brands, the Company will increase investment activities in CE and Spain by opening new locations at higher pace. Considering the current returns on new builds, brand expansion will be primarily focused on KFC, Starbucks and La Tagliatella in existing markets. In the opinion of management, the potential of AmRest’s current markets is significantly above existing number of restaurants.

The company also continues its efforts aimed at building attractive growth platform in new markets of Europe, with particular focus on strengthening the portfolio of proprietary brands. In addition to the mentioned in this report purchase of Starbucks operators in Romania and Bulgaria, the example of very successful acquisition was addition of Restauravia to AmRest’s Group in 2011. Continuous development of La Tagliatella in Spain and building the leadership position in Spanish Casual Dining sector positively contributed to the growth of AmRest value in the recent years.

11. Management Representations

11.1. Correctness and fairness of the presented financial statements

To the best knowledge of the Management Board of AmRest Holdings SE, the Annual Financial Statements and the comparative figures presented in the Annual Financial Statements of AmRest Holdings SE have been prepared in accordance with the binding accounting policies and they give a true, fair and clear view of the financial position of AmRest Holdings SE and its results. The Annual Directors' Report included in this document provides a true image of the development and achievements and the situation of AmRest Holdings SE, including a description of the key risks and threats.

11.2. Selection of the registered audit company

The entity authorized to audit the financial statements, PricewaterhouseCoopers Sp. z o.o., which carried out the annual audit of the Annual Financial Statements of the AmRest Group has been selected in compliance with the provisions of the law. Both the entity and auditors conducting the audit met the requirements necessary to enable them to issue an unbiased and independent audit opinion, in accordance with the relevant laws.

As mentioned in section 7.7 of this report, on February 23rd, 2015 the Supervisory Board of AmRest appointed PricewaterhouseCoopers Sp. z o.o. to conduct audit of the stand-alone and consolidated financial statements of the Company and AmRest Holdings SE capital group for 2015, 2016 and 2017. The agreement with PricewaterhouseCoopers Sp. z o.o. was signed on June 18th, 2015.

TABLE 12. REMUNERATION OF THE ENTITY ENTITLED TO AUDIT FINANCIAL STATEMENTS

	For the period:	
PLN '000	**from 01.01.2015 to 31.12.2015**	**from 01.01.2014 to 31.12.2014**
PricewaterhouseCoopers Sp. z o.o.	**418**	**540**
Due to a contract for the review and audit of financial statements, including:		
- audit of annual financial statements	258	274
- review of financial statements	160	156
Other contracts	-	110
Other companies from the PricewaterhouseCoopers group	**2 117**	**974**
Due to a contract for the review and audit of financial statements, including:		
- other assurance services	1 215	909
- tax advisory services	901*	-
- other services	-	65

* Including PLN 747 thousand. concerning non-invoiced expenses for the year 2015 and resulting from the existing agreement

Wrocław, March 11th, 2016

Mark Chandler
AmRest Holdings SE
Board Member

Wojciech Mroczyński
AmRest Holdings SE
Board Member

Drew O'Malley
AmRest Holdings SE
Board Member

Jacek Trybuchowski
AmRest Holdings SE
Board Member

Oksana Staniszewska
AmRest Holdings SE
Board Member

Olgierd Danielewicz
AmRest Holdings SE
Board Member

AmRest Holdings SE

Annual Separate Financial Statements as at and for the twelve months ended December 31st, 2015

Contents:

Annual Separate Income Statement for the 12 months ended December 31, 2015

In thousands of Polish Zloty	**Note**	**12 months ended December 31, 2015**	**12 months ended December 31, 2014**
General and administrative expenses (G&A)		(6 810)	(2 840)
Other operating costs	9	(10 919)	(21 201)
Other operating income	9	13 521	2 506
Finance income	9	18 148	17 699
Finance cost	9	(12 714)	(16 666)
Profit/loss before tax		**1 226**	**(20 502)**
Income tax expense	10	(579)	413
Profit/loss for the period		**647**	**(20 915)**
Basic profit/loss per share in Polish zloty	14	0,03	(0,99)
Diluted profit/loss per share in Polish zloty	14	0,03	(0,99)

The Annual Separate Income Statement has to be analyzed jointly with the notes which constitute an integral part of these financial statements.

Annual Separate Statement of Comprehensive Income for the 12 months ended December 31, 2015

In thousands of Polish Zloty	**12 months ended December 31, 2015**	**12 months ended December 31, 2014**
Profit/loss for the period	**647**	**(20 915)**
Other comprehensive income	-	-
Total comprehensive income for the period	**647**	**(20 915)**
Total items that may be reclassified subsequently to profit or loss	647	(20 915)

The Annual Separate Statement of Comprehensive Income has to be analyzed jointly with the notes which constitute an integral part of these financial statements.

Annual Separate Statement of Financial Position as at December 31, 2015

In thousands of Polish Zloty	Note	December 31, 2015	December 31, 2014
Assets			
Other intangible assets		551	585
Investment in associates	2	890 852	873 942
Other non-current assets	3	174 200	232 500
Total non-current assets		**1 065 603**	**1 107 027**
Trade and other receivables	5	16 718	4 089
Income tax receivables	5	744	889
Other current assets		144	80
Other financial assets	3	8 019	12 711
Cash and cash equivalents	8	14 012	1 964
Total current assets		**39 637**	**19 733**
Total assets		**1 105 240**	**1 126 760**
Equity			
Share capital		714	714
Reserves	7	744 103	779 346
Retained Earnings	7	55 911	31 112
Total Equity attributable to shareholders of the parent		**800 728**	**811 172**
Liabilities			
Deferred tax liabilities	10	327	271
Trade and other payables	6	21 629	34 939
Non-current bonds liabilities	4	279 157	278 775
Total non-current liabilities		**301 113**	**313 985**
Trade and other payables	6	3 399	1 603
Total current liabilities		**3 399**	**1 603**
Total liabilities		**304 512**	**315 588**
Total equity and liabilities		**1 105 240**	**1 126 760**

The Annual Separate Statement of Financial Position has to be analyzed jointly with the notes which constitute an integral part of these financial statements.

	Nota	12 months ended	12 months ended

Annual Separate Statement of Cash Flows for the 12 months ended December 31, 2015		**December 31, 2015**	**December 31, 2014**
In thousands of Polish Zloty			
Cash flows from operating activities			
Profit/loss before tax		1 226	(20 502)
Adjustments for:			
Amortization		173	94
Interest, net		(1 898)	1 196
Unrealized foreign exchange differences		305	(2 113)
Change in receivables	8	5 710	(649)
Change in other current assets	8	(64)	(50)
Change in payables and other liabilities	8	2 100	(458)
The result of realized options	8	(12 127)	-
Income taxes paid		(365)	(774)
Interest paid	4	(12 025)	(15 847)
Interest received		10 574	15 556
Impairment on investments	9	323	21 201
Other		436	-
Net cash provided by operating activities		**(5 632)**	**(2 346)**
Cash flows from investing activities			
Proceeds from repayment of loan given	3	59 430	11 627
Expense on loans given		-	(4 995)
Dividends received from subsidiaries	9	6 606	-
Acquisition of subsidiaries, net of cash acquired		(17 918)	(29 254)
Acquisition of property, plant and equipment		(443)	(182)
Net cash used in investing activities		**47 675**	**(22 804)**
Cash flows from financing activities			
Proceeds from share issuance (employees options)		19 783	2 408
Expense on acquisition of own shares (employees option)		(49 779)	(6 645)
Proceeds from bonds issuance		-	139 362
Proceeds from loans received		-	(151 015)
Proceeds from short and long-term deposits		-	6 300
Net cash provided by/(used in) financing activities		**(29 995)**	**(9 590)**
Net change in cash and cash equivalents		**12 048**	**(34 740)**
Balance sheet in cash and cash equivalents		**12 048**	**(34 740)**
Cash and cash equivalents, beginning of period		**1 964**	**36 704**
Cash and cash equivalents, end of period		**14 012**	**1 964**

The Annual Separate Statement of Cash Flows has to be analyzed jointly with the notes which constitute an integral part of these financial statements.

Annual Separate Statement of Changes in Equity for the 12 months ended December 31, 2015

	Issued capital	Own shares	Reserves	Retained Earnings**	Total Equity
As at January 1, 2014	**714**	**-**	**791 414**	**71 464**	**863 592**
Comprehensive Income					
Profit for the period	-	-	-	(20 915)	**(20 915)**
Distribution of retained earnings		-	19 436	(19 436)	**-**
Total Comprehensive Income	**-**	**-**	**19 437**	**(40 351)**	**(20 915)**
Transactions with shareholders					
Employees share option scheme – value of employee	-	-	8 098	-	**8 098**
Changing the share option plan for employees	-	-	(34 939)	-	**(34 939)**
Net result on treasury share transaction	-	-	(876)	-	**(876)**
Purchase of treasury shares	-	-	(3 788)	-	**(3 788)**
Total of transactions with shareholders	**-**	**-**	**(31 505)**	**-**	**(31 505)**
As at December 31, 2014	**714**	**-**	**779 346**	**31 112**	**811 172**
As at January 1, 2015	**714**	**-**	**779 346**	**31 112**	**811 172**
Comprehensive Income					
Profit for the period	-	-	-	647	**647**
Total Comprehensive Income	**-**	**-**	**-**	**647**	**647**
Change in presentation*					
Change in presentation on the own shares	-	-	(227)	227	-
Separating the result on own shares 2012-2013	-	-	(2 548)	2 548	
Separation of own shares on January 1, 2015	-	(4 014)	4 014	-	-
Change in presentation of retained earnings	-	-	(21 377)	21 377	-
Change in presentation in total*	**-**	**(4 014)**	**(20 138)**	**24 152**	**-**
Transactions with shareholders					
Change in share option plan for employees	-	-	6 107	-	**6 107**
Transfer of own shares	-	32 581	-	-	**32 581**
Purchase of own shares	-	(49 779)	-	-	**(49 779)**
Total of transactions with shareholders	**-**	**(17 198)**	**6 107**	**-**	**(11 091)**
As at December 31, 2015	**714**	**(21 212)**	**765 315**	**55 911**	**800 728**

**** Changes in presentation due to the significant increase in transactions concerning shares and other related share option program***

**** * In the retained earnings are presented the results of previous years, which according to the resolutions of the General Meeting of Shareholders shall be applied to other categories of capital***

The Annual Separate Statement of Changes in Equity has to be analyzed jointly with the notes which constitute an integral part of these financial statements.

1 Company overview and significant accounting policies

(a) Background

AmRest Holdings SE ("the Company") was established in the Netherlands in October 2000 as a joint-stock company. On September 19, 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. On December 22, 2008, the District Court for Wrocław-Fabryczna in Wrocław, 6th Business Department registered the new registered office of AmRest in the National Court Register. The address of the Company's new registered office is: pl. Grunwaldzki 25-27, Wrocław (50-365), Poland. The Court also registered amendments to the Company's Memorandum of Association related to the transfer of the registered office of AmRest to Poland.

AmRest is the first public company in Poland operating in the form of a European Company. The purpose of transforming AmRest into a European Company was to increase its operating effectiveness and reduce operating and administrative expenses. Following the fact of transfer into European Company and transfer of Company registered head office to Poland, the functional currency of AmRest holdings SE since January 1, 2009 is polish zloty (PLN).

The Company's core activity is direct management of the following entities ("the Group"):

- AmRest Sp. z o.o. (Poland), the entity being a parent in an international group comprising of entities located in Poland, as well as in Russia (OOO AmRest) and USA (AmRest, LLC),
- AmRest s.r.o. (The Czech Republic),
- AmRest EOOD (Bulgaria),
- AmRest Acqusition Subsidiary Inc (USA),
- AmRest HK Limited (China),
- Blue Horizon Hospitality Group PTE Ltd. (China), the entity being a parent in a group, comprising of entities located in China.,
- AmRest FSVC LLC (USA).

The principal activity of the subsidiaries is operating Kentucky Fried Chicken ("KFC"), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (further Czech), Hungary, Russia, Serbia, Croatia, Romania, Bulgaria and Spain, on the basis of franchises granted. In Spain, France, Germany and China the Group operates its own brands La Tagliatella, Trastevere and il Pastificcio. This business is based on the franchise agreements signed with non-related companies and own restaurants. It is supported by the central kitchen which produces and delivers products to the whole network of own brands. Additionally in China since December 21, 2012 the Group operates its own brands Blue Frog and KABB.

On April 27, 2005, the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ("GPW").

Before April 27, 2005, the Company's co-shareholders and entities exercising their rights from the shares held in the Company were International Restaurants Investments, LLC ("IRI") with its registered office in the United States of America, and Kentucky Fried Chicken Poland Holdings BV ("KFC BV") with its registered office in the Netherlands. The co-shareholders held 50% shares each and had the same proportion of voting rights before the Company was first quoted on the stock exchange. IRI was a company controlled by American Retail Concepts, Inc. with its registered office in the United States of America ("ARC"), and KFC BV was a company controlled by YUM! Brands, Inc. ("YUM!") with its registered office in the USA.

In connection with the flotation of the Company on GPW, YUM! sold all its shares in the Company and is no more a shareholder or a related entity. Also when the Company was floated on GPW, IRI sold part of the shares held.

On April 22, 2010 share subscription agreement was signed between AmRest Holdings S.E, and WP Holdings VII B.V., following which on May 24, 2010 WP Holdings VII B.V. obtained 4 726 263 shares of the Company from new emission at emission price of PLN 65 for total value of PLN 307.2 million. At June 10, 2010 was registered by the registry court in Wroclaw the increase in the share capital of the Company by the amount of EUR 47 262.63 (PLN 195 374.26). Additionally during 12 months from the date on which the described above emission shares were registered by the registry court proper for the Company's registered office, the WP Holdings VII B.V. will have an option to subscribe for additional shares in up to two instalments to the extent that its shareholding does not exceed 33% of the post-issuance share capital. The issuance price for the additional shares subscription was PLN 75 per share. On March 25, 2011, WP subscribed for 2 271 590 shares with the issuance price of PLN 75 per share. After decrease by all costs concern capital issue the growth was PLN 168 926 thousand.

On August 18th, 2015 WP Holdins B.V. have sold to FCapital Dutch B.V. all owned shares in AmRest Group.

As at December 31, 2015, FCapital Dutch B.V. was the largest shareholder of AmRest and held 31.71% of its shares and voting rights.

These financial statements were authorized by the Management Board on March 11, 2016.

(b) Representations on compliance of the financial statements with the International Financial Accounting Standards

These separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the Council for International Accounting Standards Board and approved by the European Union for the annual financial reporting, effective as at December 31, 2015. The accounting policies are applied in the preparation of the annual financial statements are consistent with those used in preparing the annual financial statements for the year ended 31 December 2014. with the exception of standards, amendments to standards and interpretations which are effective for reporting periods beginning on or after 1 January 2015.

- **IFRS 9 "Financial Instruments"**

IFRS 9 replaces IAS 39 and will be effective for annual periods beginning on or after 1 January 2018.
IFRS 9 introduces one model, according to which financial as sets are required to be classified into two measurement categories: those to be measured subsequently at fair value and those to be measured subsequently at amortised cost.
Classification on initial recognition is driven by the entity's business model for managing the financial assets and the contractual cash flows characteristics. IFRS 9 introduces a new model for the recognition of impairment loss es – the expected credit losses (ECL) model.
Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.
The key change is the requirement to present in other comprehensive income, a significant change in credit risk relating to financial liabilities designated to be measured at fair value through profit and loss. Hedge accounting requirements were amended to align accounting more closely with risk management.
The Company will apply the change after approval by the European Union.
The Company considers this change will not have a significant impact on the separate financial statements.
At the date of preparation of these separate financial statements, this change has not yet been approved by the European Union.

- **Amendments to IFRS 2010-2012**

International Accounting Standards Board has published in December 2013 "Improvements to IFRSs 2010-2012" which amend 7 standards . The amendments include changes in presentation, recognition and valuation

and include terminology and editorial changes. The amendments are effective for the most part for annual periods beginning on or after 1 February 2015 .
The Company will apply these amendments to IFRS from 1 January 2016.
The Company considers this change will not have a significant impact on the separate financial statements.

- **IFRS 14 "Regulatory Deferral Accounts"**

IFRS 14 is effective for annual periods beginning on or after 1 January 2016 or after that date. This standard allows individuals who produce financial statements in accordance with IFRS for the first time, to the recognition of the amounts resulting from the activities of regulated prices in accordance with the previously applied accounting principles. To improve comparability with units which already apply IFRS and do not show such amounts in accordance with the published IFRS 14, the amounts resulting from the activities of regulated prices, should be subject to the presentation in a separate location, either in the statement of financial position as well as in the income statement and statement of other comprehensive income.
The Company will apply these amendments to IFRS from 1 January 2016.
The Company considers this change will not have a significant impact on the separate financial statements.
At the date of preparation of these separate financial statements, IFRS 14 has not yet been approved by the European Union.

- **Amendments to IFRS 11 on the purchase of a share in a common activity**

This amendment to IFRS 11 requires the investor when he acquires a share in a common business activity which is as defined in IFRS 3 application to acquire its share of the accounting rules on businesses connections in accordance with IFRS 3 and the rules under other standards, unless they are in contrary to the guidelines contained in IFRS 11.
The change is effective for annual periods beginning on or after 1 January 2016.
The Company will apply the change from 1 January 2016.
The Company considers this change will not have a significant impact on the separate financial statements.

- **Amendments to IAS 16 and IAS 38 concerning Depreciation**

The amendment clarifies that the use of the depreciation method based on revenues is not appropriate because the revenues generated in the business, which uses data assets also reflect factors other than the consumption of economic benefits from the asset.
The change is effective for annual periods beginning on or after 1 January 2016.
The Company will apply the change from 1 January 2016. The Company considers this change will not have a significant impact on the separate financial statements.

- **IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 was published by the International Accounting Standards Board on 28 May 2014 and is effective for annual periods beginning on or after 1 January 2018 or after that date.
The principles set out in IFRS 15 will apply to all contracts resulting in revenue. The fundamental principle of the new standard is to recognize revenue at the time of the transfer of goods or services to the client, in the amount of the transaction price. Any goods or services sold in packages that can be distinguished in the package, should be recognized separately, moreover, any discounts and rebates on the transaction price should in principle be allocated to the various elements of the package. If the amount of revenue is variable, according to the new standard for the amount of variables are included in the income, if there is a high probability that in the future there will be no reversal of the recognition of income as a result of revaluation. Furthermore, in accordance with IFRS 15 costs incurred to acquire and secure a contract with the customer must be activated and deferred for a period of consumption of the benefits of this contract.

The Company will apply IFRS 15 from 1 January 2018. The Company considers this change will not have a significant impact on the cseparate financial statements. At the date of preparation of these separate financial statements, IFRS 15 has not yet been approved by the European Union.

- **Agriculture: Bearer plants - Amendments to IAS 16 and IAS 41**

The amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms, which now should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.
Amendments are effective for annual periods beginning on 1 January 2016. The Company will apply the change from 1 January 2016.

- **Amendments to IAS 27 concerning the equity method in the separate financial statements**

The amendments in IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
The amendments are effective for annual periods beginning on or after 1 January 2016.
The Company will apply the change from 1 January 2016.
The Company considers this change will not have a significant impact on the separate financial statements.

- **Amendments to IFRS 10 and IAS 28 concerning sales or transfers of assets between the investor and its associates or joint ventures**

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss, considering the interests of other investors, is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.
The amendments were published on 11 September 2014 and will be effective for annual periods beginning on or after a date to be determined by the IASB.
The Company will apply the change accordingly to IASB resolutions.
The Company considers this change will not have a significant impact on the separate financial statements.
At the date of preparation of these separate financial statements, this change has not yet been approved by the European Union.

- **Amendments to IFRS 2012-2014**

International Accounting Standards Board published in September 2014 "Improvements to IFRSs 2012-2014" , that change four standards: IFRS 5, IFRS 7, IAS 19 and IAS 34. The amendments are effective for annual periods beginning on or after 1 January 2016 .
The Company will apply these amendments to IFRS from 1 January 2016 .
The Company considers this change will not have a significant impact on the separate financial statements.

- **Amendments to IAS 1**

In December 2014 in result of the works on so-called initiative on disclosure, the International Accounting Standards Board an amendment to IAS 1 issued. The Standard was amended to clarify the concept of materiality and explains that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, even if the IFRS contains a list of specific requirements or describes them as

minimum requirements. The revised IAS 1 explained that the items presented in the statement of financial position and statement of results and other comprehensive income may be aggregated or disaggregated according to their relevance. It also introduced additional guidance relating to the presentation of subtotals in these statements. The amendments are effective for annual periods beginning on or after 1 January 2016.
The Company will apply the above change from 1 January 2016.
The Company considers this change will not have a significant impact on the separate financial statements.

- **IFRS 16 "Leases"**

IFRS 16 "Leases" was issued on January 13, 2016 and is effective for annual periods beginning on or after 1 January 2019.
The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
The Company will apply the change accordingly to IASB resolutions. The Company is currently assessing the impact of the amendments on its financial statements.
At the date of preparation of these separate financial statements, this change has not yet been approved by the European Union.

- **Recognition of Deferred Tax Assets for Unrealised Losses - amendments to IAS 12**

The amendment has clarified the requirements on recognition of deferred tax assets for unrealised losses on debt instruments. The entity will have to recognise deferred tax asset for unrealised losses that arise as a result of discounting cash flows of debt instruments at market interest rates, even if it expects to hold the instrument to maturity and no tax will be payable upon collecting the principal amount. The economic benefit embodied in the deferred tax asset arises from the ability of the holder of the debt instrument to achieve future gains (unwinding of the effects of discounting) without paying taxes on those gains.
The amendments are effective for annual periods beginning on or after 1 January 2017.
The Company will apply these changes from 1 January 2017. The Company considers this change will not have a significant impact on the separate financial statements.
At the date of preparation of these separate financial statements, amendments to IFRS has not yet been approved by the European Union.

- **Disclosure Initiative - Amendments to IAS 7**

Amendments to IAS 7 are effective for annual periods beginning on or after 1 January 2017. The amended IAS 7 will require disclosure of a reconciliation of movements in liabilities arising from financing activities.
The Company will apply these changes from 1 January 2017. The Company considers this change will not have a significant impact on the separate financial statements.
At the date of preparation of these separate financial statements, amendments to IFRS has not yet been approved by the European Union.

Before the issuance date of this financial statements were published by IASB numerous standards and interpretations which haven't entered into force, but some of them were approved for use by European Commission. The Company did not decide to for early adoption of any of these standards.

(c) Basis of preparation of financial statements

Because of the fact that Company has moved its seat to Poland financial statements was prepared in polish zloty (PLN), after rounding to full thousands (TPLN).

The Company prepares separate financial statements of the Group for which it acts as a parent. The consolidated and separate financial statements have to be analyzed jointly in order to vies a full picture of the Company's financial.

The financial statements were prepared on the historical cost excluding valuation of derivative instruments and investment properties to their fair value.

The preparation of the IFRS financial statements requires the Management of the Company to make certain assumptions and estimates which are reflected in the accounting policy and that affect the reported amounts of assets and liabilities and reported revenues and expenses during the period. The results of the estimates and the respective assumptions being the result of experience and various factors deemed to be justified in given circumstances are the basis for assessing the values of assets or liabilities which do not result directly from other sources. The actual financial results may differ from the adopted estimates.

The estimates and the assumptions on which they are based are subject to current verification. The adjustment of accounting estimates is recognized in the period in which it was made, on condition that it only relates to that period, or in the period in which it was made, and in future periods, if it relates both to the current and future periods.

The accounting policies described above have been applied consistently in all the financial years covered by the separate financial statements, except for those instances were changes were made in connection to new standards and interpretations were applied

(d) Going concern assumption

Information presented below should be read together with information provided in Note 12 and 16, describing accordingly: contingencies, and significant post balance sheet events after December 31, 2015.

Annual separate financial statements for the period of 12 months ended December 31, 2015 were prepared in accordance with going concern assumption by the Entity in foreseeable future, what assumes realization of assets and liabilities throughout the normal terms of business operations. Annual separate financial statements does not account for adjustments, which would be essential in such events. As at the date of annual separate financial statements issuance in assessment made by Management Board Entity there are no circumstances indicating threats for business going concern of the Entity and any related party in AmRest Group as well.

(e) Property, plant and equipment

Property, plant and equipment owned by the Company

The initial value of the property, plant and equipment is recognized in the books of account at historical cost net of accumulated depreciation and potential impairment. The initial value of the property, plant and equipment manufactured internally covers the cost of materials, direct labour, and – if material – the initial estimate of the cost of disassembly and removal of the assets and of bringing the location to the condition it had been in before the lease agreement was signed.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds from sale with carrying amounts and recognized in the income statement under „Gains/losses on disposal of property, plant and equipment".

(f) Intangible assets

Computer software

Acquired licenses for computer software are capitalized on the basis of costs incurred to acquire and prepare specific software for use. These costs are amortized on the basis of the expected useful lives.

Amortization

Intangible assets are amortized on a straight-line basis over the expected useful life of the assets if it is determined. Goodwill and other intangible assets whose expected useful lives cannot be specified are assessed annually for potential impairment and are not amortized. Other intangible assets are amortized as of the date of their availability for use.

The expected useful lives of assets are as follows:

- Computer software 3 -5 years

(g) Financial assets – investments in subsidiaries

Investments in subsidiaries

Investments in subsidiaries are valued at cost, net of impairment losses.

The value of shares is further adjusted by the amount of the costs arising from the share option plan (options granted to employees of subsidiaries).

Other than investments in subsidiaries the Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity assets, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition and reviews this designation at every balance sheet date.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories described below. The Entity does not maintain any investments classified as available-for-sale financial assets as at the end of each of the periods covered by these separate financial statements.

Financial assets at fair value profit or loss

This category has two sub-categories: ‘financial assets held for trading’, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as ‘held for trading’ unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date. The Company does not maintain any investments classified as financial assets at fair value through profit or loss as at the end of each of the periods covered by these financial statements.

Financial assets held to maturity

This category covers financial assets which the Management Board decided would be maintained to maturity upon inception. Financial assets held to maturity are stated at amortized cost. The carrying amount of investments measured at adjusted purchase price (amortized cost) and is calculated as the amount due on maturity net of all non-amortized initial discounts or premiums.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. They are carried at amortized cost less impairment losses and are classified as ‘trade and other receivables’ in the balance sheet for maturities not greater than 12 months after the balance sheet date (see note (h) of accounting policies below).

Regular investment purchase and sale transactions are recognized as at the transaction date – the date on which the Company commits to purchase or sell a given asset. Investments are initially recognized at fair value plus transaction costs. This relates to all financial assets not measured at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and the transaction costs are recognized in the income statement. Financial assets recognized at fair value through profit or loss are derecognized when the rights to receive cash flows from the financial assets have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at adjusted purchase price (amortized cost using the effective interest method).

(h) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognized initially at fair value and subsequently measured at amortized cost less impairment losses.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(j) Impairment

As at each balance sheet date the Company verifies the carrying amount of assets other than inventories and deferred income tax assets, to determine whether the assets do not show signs of impairment. If there are signs of impairment, the recoverable value of the assets is determined. In respect of assets whose economic useful life is not determined and assets which were not commissioned for use, and goodwill, the recoverable amount is determined as at each balance sheet date. Impairment write-downs are recognized in the books of account in the event that the present value of an asset or a group of assets generating specific cash flows exceeds their recoverable value. Impairment losses are recognized in the income statement.

Impairment write-downs of trade and other receivables are recognized when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. If there is such evidence, the impairment write-downs recognized in amortized cost of the receivables are determined as the difference between the value of the assets following from the books of account as at the measurement date and the present value of the expected future cash flows discounted using the effective interest rate of the financial instrument. Impairment losses are recognized in the income statement.

Impairment on the investments in subsidiaries is recognized to the recoverable amount if the recoverable amount of these assets is lower than their book value. When tasting for impairment of investments in subsidiaries the Entity measures the value in use of an asset by determining the current present value of the estimated future cash flow expected to be derived from the continued use of these assets and their disposal at the end of useful life period. Value of the future cash flows is based on the most recent and approved by Management Board budget, which covers the period of following 5 years, while data for the period beyond the period covered by the most recent budget by extrapolating the projections using a steady growth rate at the level of 3%. A cash-generating unit is a separate subsidiary running business activity.

The recoverable amount of the remaining assets is estimated at the higher of the fair value net of costs to sell and the value in use. Value in use is deemed to be the sum of discounted future cash flows which will be generated from the asset using the market discount rate before tax reflecting the time value of money and the risks characteristic for the given asset. If it is not possible to determine the future cash flows from a given asset, for the purpose of determining the value in use, a group of assets which includes the given asset, which generate specific cash flows, are taken into account. In such events, groups of cash-generating assets are deemed to be single restaurants. In case of Spain, the Company, due to ongoing integration, treats as cash-generating assets following operating activities: operating franchised KFC restaurants, operating proprietary brands restaurants and franchise and other activity.

Reversal of impairment write-downs

Impairment write-downs in respect of receivables recognized at amortized cost are reversed if the later increase in their recoverable value may be objectively attributed to an event which arose after the impairment was recognized.

Impairment write-downs in respect of goodwill cannot be reversed. In respect of other assets, impairment write-downs are reversible if there are premises indicating that the impairment has ceased to exist or decreased. Reversal of impairment should be made if estimates used to determine the recoverable value are changed.

Impairment write-downs are reversed only to the extent to which the carrying amount of an asset does not exceed the carrying amount it would be recognized at, net of depreciation, had the impairment not been recognized.

revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(k) Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

The supplementary capital comprises of:

- surpluses between income from share issue and nominal value of issued shares, less costs of issue,
- costs of employee benefits and share option plans.
-

(l) Financial liabilities - interest bearing loans and borrowings and bonds obligations

Interest-bearing loans and borrowings as well as bonds obligations are recognized initially at cost being their fair value, less attributable transaction costs. In subsequent periods, borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings using the effective interest rate method.

If the loan is settled before the maturity date, any difference between the settled cost and the current cost is recognized in the income statement.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

The zero coupons bonds obligations are classified as non-current liabilities if the maturity date is equal greater than 12 months after the balance sheet date.

(m) Employee benefits

Share-based compensation

The Company, having no own employees, provides two equity-settled, share-based compensation plans for the key employees of AmRest Group (see Note 6). The fair value of work performed by the employees for a consideration payable in options increases costs. The total amount which has to be taken to the income statements over the vesting period is based on the fair value of options received. As at each balance-sheet date entity verifies its estimates connected with number of options expected to vest. The impact of the potential verification of initial estimates is recognized by the Group in the income statement, in correspondence with equity. The proceeds from the exercise of options (net of transaction costs directly related to the exercise) are recognized in share capital (at nominal value) and in supplementary capital, in share premium.

For share-based payment transactions in which the terms of the arrangement provide either the entity / the Company or the counterparty with the choice of whether the entity settles the transaction in cash or by issuing equity instruments, the entity / the Company shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

In 2014 the share-based payment plans (plan 2) were modified so that it may be settled in cash instead of shares. As a result the group re-measures the liability at the date of change using the modification date fair value of the equity-settled award or the present value of the future cash outflows, based on the elapsed portion of the vesting period.

The subsequent settlement of the liability follows the requirements for a cash-settled share-based payment.

The Company incurred a liability measured at fair value, taking into account the period of service / vesting period, and any changes in value are recognized in investments at the end of the period.

At the date of settlement, the Company shall remeasure the liability to its fair value. The actual settlement method selected by the employees, will dictate the accounting treatment:

- if cash settlement is chosen, the payment will reduce the entirely recognised liability; Any equity component previously recognised will remain within equity, but it could be reclassified to other components of equity;
- if the settlement is in shares, the balance of the liability is transferred to equity, being consideration for the shares granted. Any equity component previously recognised shall remain within equity.

(n) Trade and other payables

They are recognized initially at fair value and subsequently measured at amortized cost.

(o) Currency and exchange differences

Entity presented its annual separate financial statements in Polish zloty. Transactions denominated in foreign currencies are translated into the functional currency at the rate prevailing as at the transaction date. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Polish zloty at the rate prevailing as at that date. Foreign exchange differences arising as a result of translating the transactions denominated in foreign currencies into Polish zloty were recognized in the income statement, except incomes and losses concern hedging instrument, which constitutes effective hedge presented directly in other comprehensive income. Non-monetary assets and liabilities stated at historical cost and denominated in foreign currencies are translated using the exchange rate as of the transaction date.

(p) Income tax expense

The income tax shown in the income statement comprises the current and deferred portion. The current portion of the income tax includes tax calculated on the basis of the taxable income for the current period using the income tax rates which have been enacted or substantially enacted as at the balance sheet date, and adjustments of the income tax liability from prior years.

Income tax expense is recognized in the income statement, with the exception of transactions accounted for in equity, in respect of which the tax is also recognized directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arose in respect of the initial recognition of an asset or liability under a transaction other than a business combination which has no impact on the profit/loss for accounting or tax purposes, it is not recognized. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax is not recognized upon the initial recognition of goodwill.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(r) Other operating income and expenses

Other operating income and expenses include recurrent, indirect revenue and costs related only to the actual operational business of the Company (ie. core, statutory activities). This kind of business include among others: revenue resulting from re-invoicing of costs of realized share options to the related entities, cost of impaired assets, cost of issued own shares, results on fixed assets disposed.

(s) Financial cost and income

Financial costs and income include any benefits incurred from the possession, lending or sales of the financial assets to third parties (dividends, interest, discounts, increase in the fair value of the financial assets) and any fees charged by third parties for any monetary assets or any equivalents of the monetary assets borrowed from these third parties resulting with the recognition of the financial liabilities (interest, provisions, discounts) as well as the loss resulting from the recognition of the decrease in the fair value of the financial assets.
Financial income and costs include also balance of positive and negative foreign exchange differences, both recognized in the repayments of the foreign currency liabilities as well as the valuation of the foreign currency assets and liabilities, excluding foreign exchange differences impacting the purchase price of the produced assets they relate to.

2 Investments in subsidiaries

As at each balance sheet date the Company verifies the carrying amount of finance assets (investments in subsidiaries) to determine whether the assets do not show signs of impairment. Impairment on the investments in subsidiaries is recognized to the recoverable amount if the recoverable amount of these assets is lower than their book value. When book value of the investment is lower than net assets of the Company, Company prepare analysis to identify needs of adjustment valuation of the investments of subsidiaries.

Company evaluates external and internal factors which can influence financial results of subsidiaries (e.g. evaluation of execution planed budgets for the year).What is more Company evaluates micro- and macro-economic factors including currency fluctuations and cost of capital in the markets in which subsidiaries operates.

(in PLN thousands unless stated otherwise)

Impairment of the investments in subsidiaries is determined as the difference between the current present value of these assets from books at the valuation date and present value of expected future cash flows, discounted at the effective interest rate. For such measured value of future discounted cash flows, Company also carried out a sensitivity analysis of the impact of changes in the effective interest rate and currency fluctuations. The value of assets is updated only when the loss of value of the investment is permanent and irreversible in long term.

As at December 31, 2015, Company carried test for entities: AmRest HK Ltd., Blue Horizon Hospitality Group PTE Ltd., AmRest s.r.o. and AmRest EOOD. According to the assumptions mentioned above, Company did not carry test for AmRest Sp. z o.o.

	Chiny	Czechy Rok 2015	Bułgaria
Discount rate before tax	11,40%	7,95%	10,16%
Budgeted average EBITDA margin	9,03%	17,58%	7,38%
Expected long-term growth rate used for the calculation of planned future results	26,34%	10,33%	22,55%

Taking it into account in 2015, Company recognized impairment write-down of the investment in AmRest HK Ltd. in the amount of 323 TPLN.

If discount rates in period of 12 months ended December 31, 2015 were bigger/smaller by 3 percentage points, it would not result in recognition of additional impairment provision.

If EBITDA in period of 12 months ended December 31, 2015 were bigger/smaller by 3 percentage points, it would not result in recognition of additional impairment provision.

The discount rate adopted for the calculation is the average cost of capital before tax for the particular currencies. As at December 31, 2015 discount rate before tax was: for China 11,40%, for Czech 7,95% and for Bulgaria 10,16%.

The table below presents the number and value of the shares owned by the Company in its subsidiaries as at December 31, 2015 and as at December 31, 2014.

	December 31, 2015		**December 31, 2014**	
	Interest ownership	Value of Shares	Interest ownership	Value of Shares
AmRest Sp. z o.o. (Poland)[a]	100,00%	591 764	100,00%	592 448
AmRest s.r.o. (Czech Republik)	100,00%	33 573	100,00%	33 573
AmRest Acquisition Subsidiary (USA)	100,00%	146 954	100,00%	146 954
AmRest EOOD (Bulgaria)	100,00%	14 388	100,00%	14 388
AmRest FSVC LLC [b]	100,00%	1 362	-	-
AmRest HK Limited (China) [c]	100,00%	-	83,00%	-
Blue Horizon Hospitality Group PTE Ltd. (Chiny)[d]	62,33%	102 811	60,18%	86 579
Total	**-**	**890 852**	**-**	**873 942**

(a) The value of investment in AmRest Sp. z o.o. was decreased by capitalized costs of the share option plan (share options granted to the employees of the subsidiaries). The costs capitalized in the value of investments in subsidiaries amounted to 684 TPLN as at December 31, 2015.

(b) On February 10, 2015 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 1. On March 18, 2015 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 20. On October 5, 2015 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 50. On October 16, 2015 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 250. On December 29, 2015 Company took a resolution of increase of share capital in AmRest FSVC LLC in amount of TUSD 43.

(c) On October 20, 2014 Company took a resolution of increase of share capital in AmRest HK Ltd in amount of TUSD 600, which resulted in increase of shares by 1% of shares. Resources in amount of TUSD 300 were transferred to AmRest HK Limited on October 20, 2014 and in amount of TUSD 150 on October 16, 2014. The remaining TUSD 150 have not been made available to AmRest HK Ltd. by the end of 2014. The amount of TUSD 100 was transferred to AmRest HK Ltd. on May 2015 and the last part of TUSD 50 was transferred on September 2, 2015.

On November 30, 2015 Company signed an agreement in the amount of TUSD 18 under which AmRest Holdings became the sole shareholder of AmRest HK Ltd. On December 21, 2015 the Company transferred to AmRest HK Ltd. funds in the amount of 50 thousand. The resolution for this transfer was signed on January 21 2016 in the amount of TUSD 100. The remaining TUSD 50 have not been made available to AmRest HK Ltd. by the end of 2015. As at December 31, 2015 Company recognized impairment write-down in the amount of TPLN 323.

(d) On January 30, 2015 Company took a resolution of increase of share capital in Blue Horizon Hospitality PTE LTD in the amount of TUSD 4 454 which resulted in increase of share capital by 2.78% of shares. On July 13, 2015 the process of issuing shares has finished and resulted in reduction of shares by 0.63%. .

3 Other financial assets

As at December 31, 2015 and December 31, 2014, the balances of other financial assets were as follows:

Other long-term financial assets	**December 31, 2015**	**December 31, 2014**
Loans given	174 200	232 500
Total of other long-term financial assets	**174 200**	**232 500**

Other short-term financial assets	**December 31, 2015**	**December 31, 2014**
Loans given	8 019	12 711
Total of other short-term financial assets	**8 019**	**12 711**

The Entity provided subsidiaries with the loans specified as below:

Borrower	- AmRest s.r.o.
Loan amount	- 20 500 thousands PLN
Interest rate	- WIBOR 3M + margin

(in PLN thousands unless stated otherwise)

The loan agreement was signed on December 16, 2013. On September 3, 2015 company received 20 500 TPLN as repayment of the loan.

Borrower	- AmRest Sp. z o.o.
Maximum loan amount	- 350 000 thousands PLN
Interest rate	- 3M WIBOR + margin

The loan agreement was signed on October 18, 2010. In accordance with the agreement the interest will be paid on the quarterly basis. The change of the compound interest rate will be executed on the first day of each quarter. The principal amount of the loan with all accrued interest will be repaid till December 31, 2018. In 2015 AmRest Sp. z o.o. repaid the loan in the amount of 37 800 TPLN. The balance at the end of December 2015 is 174 200 TPLN.

Borrower	- AmRest HK Ltd.
Loan amount	- 1 000 thousands USD
Interest rate	- 3M LIBOR + margin

The loan agreement was signed on November 19, 2012. By December 31, 2015 the principal amount of the loan with all accrued interest was not repaid. The company recognized an impairment at the end of the 2015 in the value of the loan including accrued interest.

Borrower	- AmRest HK Ltd.
Loan amount	- 210 thousands USD
Interest rate	- 3M LIBOR + margin

The loan agreement was signed on September 5, 2013. By December 31, 2015 the principal amount of the loan with all accrued interest was not repaid. The company recognized an impairment at the end of the 2015 in the value of the loan including accrued interest.

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 582 thousands USD
Interest rate	- fixed

The loan agreement was signed on December 5, 2013. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The loan settled on the basis of set-off agreement dated March 25, 2015.

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 556 thousands USD
Interest rate	- fixed

The loan agreement was signed on January 22, 2014. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. Part of the loan (186 thousand USD of capital and 42 thousand. USD of interest) was settled based on set-off agreement dated March 25, 2015. The repayment of the remaining part of the loan was made on August 26, 2015. In the amount of 378 TPLN.

(in PLN thousands unless stated otherwise)

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 1 085 thousands USD
Interest rate	- fixed

The loan agreement was signed on June 24, 2014. In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan was to be paid back till Jun 24, 2015.

By December 31, 2015 the principal amount of the loan with all accrued interest was not repaid.

On March 25, 2015 set-off agreement was signed. According to this agreement the new loan dated March 25, 2015 set-off the loan dated December 5, 2013 in the amount of 582 thousand USD with the accrued interest until March 31, 2015 in the amount of 42 thousand USD and partially set-off the loan dated January 22, 2014 in the amount of 186 thousand USD and total accrued interest in the amount of 34 thousand USD.

Borrower	- Blue Horizon Hospitality Group PTE LTD
Loan amount	- 844 thousands USD
Interest rate	- fixed

In accordance with the agreement the interest will be calculated and paid on a quarterly basis till 25-th day of the last month of the quarter. The principal amount of the loan will be repaid till March 25, 2016. By December 31, 2015 the principal amount of the loan with all accrued interest was not repaid.

The table below presents the change of loan value during the twelve months period ended December 31, 2015:

As at January 1, 2015	**245 211**
Including:	
Short – term loans	**12 711**
Long – term loans	**232 500**
Change of loan value during the twelve months period ended December 31, 2014:	
Loans granted (sett-off-agreement)	3 161
Interest accrued	11 093
Loan repayment	(59 430)
Impairment of loans	(3 930)
Loan repayment (set-off agreement)	(2 343)
Interest repayment	(10 473)
Interest repayment (set-off agreement)	(251)
Impairment of interest on the loan	(514)
Exchange rate differences (financial income)	(305)
As at December 31, 2015	**182 219**
Including:	

Short – term loans	**8 019**
Long – term loans	**174 200**

Loans are not secured. The fair value of the loans presented above does not differ significantly from its carrying value.

4 Liabilities

Liabilities to third parties

On December 7, 2009 AmRest Holdings SE signed with RBS Bank (Polska) S.A. and Bank Pekao S.A. agreement for bonds issuance ("5years bonds"), on the basis of which was released option program for corporate bonds of AmRest, allowing to issue bonds in total maximum value of PLN 300 million, where bonds in the value of PLN 150 million were issued already. Agreement was signed for agreed period till July 9, 2015 with period extension options till repayment of all issued bonds.

On August 22, 2012 AmRest Holdings SE signed with RBS Bank (Polska) SA and Bank Pekao SA an agreement for bonds issuance ("5years bonds"), on the basis of which was released option program for corporate bonds of AmRest.

On June 18, 2013 bonds in the amount of PLN 140 million were issued under the new agreement. The issue is part of a plan to diversify financing sources of AmRest. Bonds are issued with variable interest rate 6M WIBOR increased by a margin and are due on June 30, 2018. Interest is paid on semi-annual basis (June 30 and December 30), beginning December 30 2013. Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated June 18, 2013 (accordingly: <3.5; >3.5; >0.3). There are no additional securities on the bond issue.

On September 10th 2014 AmRest made an early redemption of bonds for the total value of PLN 131,5m. At the same time, AmRest issued 14 000 bonds in the total nominal value of PLN 140m with maturity date September 10th 2019. The bonds have a variable interest rate of 6M WIBOR increased by margin. The interest is paid semi-annually (on June 30th and December 30th). Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated September 10, 2014 (accordingly: <3.5; >3.5; >0.3). There are no additional securities on the bond issue.

On December 30th AmRest made a redemption of bonds that reached maturity date on Dec 30th 2014 with the face value of PLN 18,5m. At the end of 2014 AmRest has two bond issues outstanding: PLN 140m with maturity date June 30th 2018 and PLN 140m maturing on Sept 10th 2019.

As at December, 31 2015 the payables concerning bonds issued are PLN 279 157 thousand.

The table below presents the change of borrowings value during the twelve months period ended December 31, 2014:

As at January 1, 2015	**278 775**
Including:	-
Short – term	
Long – term	**278 775**
Change of borrowing value during the twelve months period ended December 31, 2014:	
Issuing bonds costs	327
Discount	12 080
Interest paid	(12 025)
As at December 31, 2015	**279 157**

(in PLN thousands unless stated otherwise)

Including:	
Short – term	**-**
Long – term	**279 157**

On September 10, 2013 a Credit Agreement („the Agreement”) between AmRest Holdings SE, AmRest Sp. z o.o.(„AmRest Poland”) and AmRest s.r.o. – jointly „the Borrowers” and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. (Currently BGŻ S.A.) and ING Bank Śląski Polska S.A. – jointly „the Lenders” was signed. AmRest Poland and AmRest Czech are 100% subsidiaries of AmRest.

Based on the Agreement the Lenders granted to the Borrowers a credit facility in the approximated amount of EUR 250 million. All Borrowers bear joint liability for any obligations resulting from the Agreement.

The effective interest rates are similar to the market rates for specific borrowings. Therefore, the fair value of the liabilities presented above does not differ significantly from their carrying amounts.

5 Trade and other receivables

As at December 31, 2015 and December 31, 2014 Company has receivables of following characteristics:

Receivables descriptions	**December 31, 2015**	**December 31, 2014**
Receivables from related party – AmRest Sp. z o.o. cash pooling	2 743	3 117
Receivables from related party – AmRest s.r.o.	563	19
Receivables from related party – AmRest Sp. z o.o.	13 377	165
Receivables from related party – AmRest LLC	-	51
Receivables from related party – OOO AmRest	12	33
Receivables from related party – SCM Sp. z o.o.	-	119
Receivables from related party – AmRest HK Ltd	-	47
Receivables from related party – AmRest GmbH	11	-
Receivables from related party – Frog King & Beverage	-	11
Receivables from related party employees	6	58
Tax receivables	744	889
Other receivables	6	469
Total of receivables	**17 462**	**4 978**

6 Employee benefits and share option plans

As at December 31, 2015 and December 31, 2014 Company has trade and other payables of following characteristics:

Payables descriptions	**December 31, 2015**	**December 31, 2014**
Liabilities to related party – AmRest Sp. z o.o.	10	1
Liabilities to related party – AmRest LLC	87	90
Liabilities to related party – AmRest HK Limited	-	526

(in PLN thousands unless stated otherwise)

Liabilities to related party – La Tagliatella LLC	-	217
Liabilities to third parties	989	769
Other Liabilities	2 313	-
Total of receivables	**3 399**	**1 603**

Employee share option plan 2

In April 2005, the Group implemented another Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Management Board, however, it may not exceed 3% of all the outstanding shares. Moreover, the number of shares purchased by employees through exercising options is limited to 200 000 per annum. In accordance with the provisions of the Plan, the Group, following approval by the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of awarding the option, and the vesting period will be 3 to 5 years. The Employee Option Plan was approved by the Company's Management Board and the General Shareholders' Meeting.

In January 2010, Supervisory Board of Group parent entity approved resolution confirming and systemizing total amount of shares for which may be issued options that will not exceed allowed 3% of shares in market.

In June 2011, Supervisory Board of Group parent entity approved and changed the prevoius note related to the number of shares purchased by employees through exercising options is limited to 100 000 per annum.

In November 2014, Supervisory Board of Group parent entity approved and changed wording of regulations by adding net cash settlement of option value. Change this resulted in recognition of employee options cash liability in the value of PLN 21.629 thousands as at December 31, 2015 according to policy. As at December 31, 2015 liablity was recognised in the value of PLN 19.174 thousands.

Employee share option plan 3

In December, 2011, the Group implemented further Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Supervisory Board, however, it may not exceed 1 041 000 shares. In accordance with the provisions of the Plan, the Supervisory Board of Group, on request of the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of preceding the day of awarding the option, and the vesting period will be 3 years. The option exercise price will increase by 11% each year. The Employee Option Plan was approved by the Company's Supervisory Board.

As at December 31, 2015 PLN 12.496 thousands of liabilities were presented in equity according to policy.

Value of liability for Employee share option plan as at December 31,2015 and December 31, 2014 was presented below:

	31.12.2015	**31.12.2014**
Liability for Employee share option plan 2	21 629	19 174
Liability for Employee share option plan 3	-	15 765
	21 629	**34 939**

(in PLN thousands unless stated otherwise)

The terms and conditions for the share options awarded to employees are presented in the table below:

Award date	Number of share options awarded	Terms and conditions for exercising the options	Option exercise price in PLN	Options term to maturity period
Plan 1				
April 30, 1999	75.250	5 years, gradually, 20% per annum	6.4	10 years
April 30, 2000	53.750	5 years, gradually, 20% per annum	25.6	10 years
April 30, 2001	76.300	5 years, gradually, 20% per annum	25.6	10 years
April 30, 2002	74.600	5 years, gradually, 20% per annum	16.0	10 years
April 30, 2003	55.100	5 years, gradually, 20% per annum	16.0	10 years
April 30, 2004	77.800	5 years, gradually, 20% per annum	19.2	10 years
Total	412.800			
Plan 2				
30 April 2005	79.300	5 years, gradually, 20% per annum	24.0	10 years
30 April 2006	75.000	5 years, gradually, 20% per annum	48.4	10 years
30 April 2007	89.150	5 years, gradually, 20% per annum	96.5	10 years
30 April 2008	105.250	5 years, gradually, 20% per annum	86.0	10 years
12 June 2008	20.000	5 years, gradually, 20% per annum	72.5	10 years
22 August 2008	1.000	5 years, gradually, 20% per annum	65.4	10 years
30 April 2009	102.370	5 years, gradually, 20% per annum	47.6	10 years
10 May 2009	3.000	5 years, gradually, 20% per annum	73.0	10 years
30 April 2010	119.375	5 years, gradually, 20% per annum	70.0	10 years
30 April 2010	7.975	5 years, gradually, 20% per annum	70.0	10 years
20 June 2011	105.090	5 years, gradually, 20% per annum	78.0	10 years
5 September 2011	1.000	5 years, gradually, 20% per annum	70.6	10 years
30 April 2012	81.500	5 years, gradually, 20% per annum	70.0	10 years
30 April 2013	91.700	5 years, gradually, 20% per annum	81.0	10 years
30 April 2014	79.830	5 years, gradually, 20% per annum	81.0	10 years
9 December 2015	127.865	5 years, gradually, 20% per annum	130.9	10 years
Total	1.089.405			
Plan 3				
13 December 2011	616.000	3 years, gradually, 33% per annum	61.00	10 years
8 October 2012	259.000	3 years, gradually, 33% per annum	64.89	10 years
16 January 2014	215.000	3 years, gradually, 33% per annum	67.43	10 years
8 July 2014	50.000	3 years, gradually, 33% per annum	61.00	10 years
1 October 2014	90.000	3 years, gradually, 33% per annum	82.10	10 years
30 November 2014	30.000	3 years, gradually, 33% per annum	61.00	10 years
Total	1.260.000			

In the table below we present the number and weighted average of the exercise price of the options from all plans for the twelve-month period ended December 31, 2015 and 2014.

Weighted average option exercise price	Number of options Plan 3	Number of options Plan 2	Weighted average option exercise price	Number of options Plan 3	Number of options Plan 2	Number of options Plan 1
	2015			2014		

At the beginning of the period	PLN 67.24	1 030 000	544 506	PLN 66.68	755 000	559 785	-
Utilized during the period	PLN 78,84	(260 001)	(241 179)	PLN 58.76	-	(24 974)	-
Redeemed during the period	PLN 65,97	(110 000)	(27 543)	PLN 65.96	(110 000)	(70 135)	-
Awarded during the period	PLN 130,90	-	127 865	PLN 67.89	385 000	80 430	-
At the end of the period	PLN 81,34	659 999	403 649	PLN 67.24	1 030 000	544 506	-
Available for exercising as at the end of the period	PLN 64,86	476 666	139 455	PLN 72.54	549 333	380 424	-

The fair value of the work performed in consideration for the options issued is measured using the fair value of the options awarded. The estimated fair value of the benefits is measured using the trinomial model and a model based on the Monte-Carlo method. One of the input data used in the above model is the term to maturity of the options (10 years). The possibility of early exercising of the option is taken into consideration in the trinomial model.

The fair value of the options as at the moment of awarding was determined on the basis of the following parameters:

Issued in period		Average fair value of option as at the date of award	Average price of share at the date of measurement/award	Average exercise price	Expected fluctuations of share prices (expressed as the weighted average fluctuation in share prices used in the trinomial	Expected term to maturity of the options (expressed as the weighted average period to maturity of the options used in the trinomial model)	Expected dividend (as of 2009)	Risk-free interest rate (based on Treasury bills)
from 1/1/2014 to 31/12/2014	Plan 3	PLN 26.73	PLN 64.65	PLN 64.65	36%	10 years	-	3.50%
from 1/1/2012 to 31/12/2012		PLN 22.57	PLN 61.00	PLN 61.0	38%	10 years	-	5.82%
from 1/1/2011 to 31/12/2011		PLN 25.35	PLN 73.95	PLN 64.89	37%	10 years	-	4.35%
from 1/1/2015 to 31/12/2015	Plan 2	PLN 103,98	PLN 195,95**	PLN 130,90	24%	10 years	-	2.37%
from 1/1/2014 to 31/12/2014		PLN 50,87	PLN 81.82	PLN 81.00	36%	10 years	-	3.50%
from 1/1/2013 to 31/12/2013		PLN 41.34	PLN 81.00	PLN 81.00	34%	10 years	-	3.50%
from 1/1/2012 to 31/12/2012		PLN 39.62	PLN 70.00	PLN 70.00	37%	10 years	-	5.36%
from 1/1/2011 to 31/12/2011		PLN 45.97	PLN 78.00	PLN 78.00	37%	10 years	-	5.61%
from 1/1/2010 to 31/12/2010		PLN 42.61	PLN 70.00	PLN 70.00	40%	10 years	-	5.51%
from 1/1/2009 to 31/12/2009		PLN 27.38	PLN 48.32	PLN 48.32	41%	7.6 years	-	5.80%
from 1/1/2008 to 31/12/2008		PLN 29.81	PLN 83.8	PLN 83.8	37%	8.9 years	18.80%	5.80%
from 1/1/2007 to 31/12/2007		PLN 36.09	PLN 96.5	PLN 96.5	33%	9.9 years	18.80%	5.50%
from 1/1/2006 to 31/12/2006		PLN 15.5	PLN 48.3	PLN 48.3	31%	9.9 years	18.80%	4.98%

(in PLN thousands unless stated otherwise)

from 1/1/2005 to 31/12/2005		PLN 8.9	PLN 25.7	PLN 24.0	40%	9.9 years	18.80%	4.50%
till the end of 2004	Plan 1	PLN 6.8	n/a	PLN 18.6	40%	7.0 years	19.40%	4.50%
		PLN 6.6	n/a	PLN 18.6	40%	7.5 years	19.40%	5.80%

* In connection with the fact that before 2006 the Company was not listed on the GPW, the expected fluctuations in the prices of its shares for measuring awards from before 2006 were based on the historical fluctuations of share prices of comparable companies quoted on the GPW (calculated on the basis of the weighted average time to maturity of the options), adjusted by all the expected changes in the future fluctuations of the share prices resulting from published information on the Company. Estimates for awards from 2006 were based on the actual fluctuations in the Company's quoted share prices. High actual fluctuation in share prices is the effect of a significant increase in the Company's share prices from their flotation.

**Option plan grant price are set in April, when market price was in the range of grant price 130 PLN set in 2015. Grant date got postponed due the documentation issues.

Options are awarded after the terms and conditions relating to the period of employment have been met. The Plan does not provide for any additional market conditions on which the exercising of the options would depend except of plan 3 which assumes minimal annual growth rate.

The costs recognized in connection with the plans relating to share-based payments for the period of twelve months ending on December 31, 2015 and 2014 respectively are presented below:

	December 31, 2015	December 31, 2014
Value of employee services	(684)	8 098
	(684)	**8 098**

Apart from those specified above, there are no other liabilities in respect of employee benefits.

7 Equity

Share capital

As described in Note 1a, on April 27, 2005, the shares of AmRest Holdings SE commenced trading on the Warsaw Stock Exchange ("WSE") in Warsaw, Poland.

Holders of ordinary shares are authorized to receive dividend and have voting rights at the Group's General Shareholders' Meetings ("AGM") proportionate to their holdings.

As at December 31, 2015, the Company held 21 213 893 issued, fully paid-up shares. The Company's target capital is 500 000 shares. Nominal value of one share is 1 eurocent (0.01 euro).

Pursuant to the information available to the Company, as at the date of release of this annual report, that is March 11, 2016 the following shareholders submitted information on holding directly or indirectly (through subsidiaries) 5% or more of the total vote at the General Shareholders Meeting of AmRest Holdings SE:

Shareholders	Shares amount	Share in Equity%	Shares amount at AGM	Share at AGM%
FCapital Dutch B.V.*	6 726 790	31,71%	6 726 790	31,71%
Nationale-Nederlanden OFE**	2 539 429	11,97%	2 539 429	11,97%
PZU PTE***	2 120 901	10,00%	2 120 901	10,00%

(in PLN thousands unless stated otherwise)

Aviva OFE	2 100 000	9,90%	2 100 000	9,90%
Pozostali akcjonariusze	7 726 773	36,42%	7 726 773	36,42%

* FCapital Dutch B. V. is the subsidiary of Finaccess Capital, S.A. de C.V.
** The previous name: ING OFE
** PTE PZU SA manages assets which include funds belonging to OFE PZU "Złota Jesień" and DFE PZU

Reserves

Structure of the reserved capital is as follows:

	December 31, 2015	December 31, 2014
Share premium	786 911	786 911
Employees share option plan	35 641	35 641
Change of employees share option scheme	(28 832)	(34 939)
Non-refundable capital deposit without additional share issue, made by shareholders of the Entity before entry on GPW	6 191	6 191
Functional currency translation	(31 219)	(31 219)
Distribution of retained earnings	-	21 377
Net profit for treasury shares for the period 2012-2014	(3 424)	(876)
Purchase of treasury shares	(21 212)	(3 788)
Other	47	48
Total supplementary capital	**744 103**	**779 346**

Retained earnings

Retained Earnings of an Entity according to 16th resolution of Annual Shareholders Meeting dated June 10, 2011 includes also reserve fund in value of PLN 50,000 thousands for purchase of treasury shares only for share option redemption to every existing and future employee and managerial motivational stock option plans, including Management Board members of Group entities. In 2015 year (as it was disclosed in statement of changes in equity) were realized transaction on treasury shares for existing stock option plans amounting PLN 17 198 thousand (respectively in 2014 3 788 TPLN).

According to the 6th resolution of Annual Shareholders Meeting dated May 19, 2015. The company decided that the loss for the financial year 2014 amounting to 20 915 TPLN will be covered from profits for the period 2011-2013, which were used to increase capital. The company decided to presenting in the separate financial statements the results of previous year in retained earnings, which, in accordance with the resolutions of the General Meeting of Shareholders shall be applied to other categories of capital.

8 Cash and cash equivalents

	December, 31 2015	December, 31 2014
Cash at bank	14 011	1 963
Cash in hand	1	1
	14 012	**1 964**

(in PLN thousands unless stated otherwise)

Reconciliation of working capital changes as at December 31, 2015 and December 31, 2014 is presented in the table below:

2015	The balance sheet change	Changes due to exercise of options	Paid Invoices paid for intangible assets	Working capital changes
Change in receivables	(12 629)	18 339	-	5 710
Change in other assets	(64)	-	-	(64)
Change in payables and other liabilities	(11 514)	(13 310)	304	2 100

2014	The balance sheet change	Changing the share option plan for employees	Changes arising from exercise of options	Liability under investment is subsidiaries	Unpaid invoices for intangible assets	Working capital changes
Change in receivables	4	-	(653)	-	-	(649)
Change in other assets	(50)	-	-	-	-	(50)
Change in payables and other liabilities	33 250	(34 939)	227	1 039	(35)	(458)

9 Finance income and expenses and other operating income and expenses

Finance income and expenses

	12 months ended December 31, 2015	**12 months ended December 31, 2014**
Interest income	11 215	15 430
Dividends received	6 606	-
Net exchange rate gains	327	2 269
Finance income, total	**18 148**	**17 699**
Interest expense	(12 082)	(15 077)
Other	(632)	(1 589)
Finance expenses, total	**(12 714)**	**(16 666)**

(in PLN thousands unless stated otherwise)

Other operating income and expenses

	12 months ended December 31, 2015	12 months ended December 31, 2014
The result on the disposal of treasury shares transactions (incentive program SOP / MIP) *	12 127	2 487
Revenues from re-invoicing	1 298	-
Writs-off	96	-
Other operation incomes	-	19
Other operating income, total	**13 521**	**2 506**
Impairment on loans granted	(4 444)	-
Impairment of investments	(323)	(21 201)
Impairment on receivables	(6 152)	-
Other operating expenses, total	**(10 919)**	**(21 201)**

** The result of transactions on sale of treasury shares (incentive program SOP / MIP) - consists of the following items: revenues from re-invoicing of services based on own shares to affiliated companies in the amount of 28 857 TPLN, the cost of issued shares in the amount of 32 581 TPLN and part of the cost of shares issued, which is not recognized in profit or loss of 15 851 TPLN.*

10 Income Tax

	12 months ended December 31, 2015	12 months ended December 31, 2014
Corporate income tax - current period	523	(576)
Change in deferred tax assets/liabilities	56	989
Income tax recognized in the income statement	**579**	**413**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. After the offset, the following amounts are disclosed in the separate financial statements:

	December 31, 2015	December 31, 2014
Deferred tax asset to be recovered within 12 months	224	357
Deferred tax asset:	**224**	**357**

	December 31, 2015	December 31, 2014
Deferred tax liabilities to be used within 12 months	551	628
Deferred tax liabilities:	**551**	**628**

(in PLN thousands unless stated otherwise)

Temporary differences after the offset accounted for in the calculation of deferred tax relate to the following items:

	December 31, 2015	December 31, 2014
Intangible assets	25	(9)
Other financial assets	-	(383)
Other financial liabilities	527	(209)
Trade and other payables	(13)	39
Tax loss carried forwards	(221)	291
Deferred tax asset	**-**	**-**
Deferred tax liabilities	**327**	**(271)**

As at December 31, 2014, tax loss carried forward are as follows:

	December 31, 2015	December 31, 2014
Tax loss	1 114	1 534
Tax loss, total	**1 114**	**1 534**

11 Related party transaction

As at December 31, 2015 the Group of which the Company is a parent consisted of the following subsidiaries (direct and indirect):

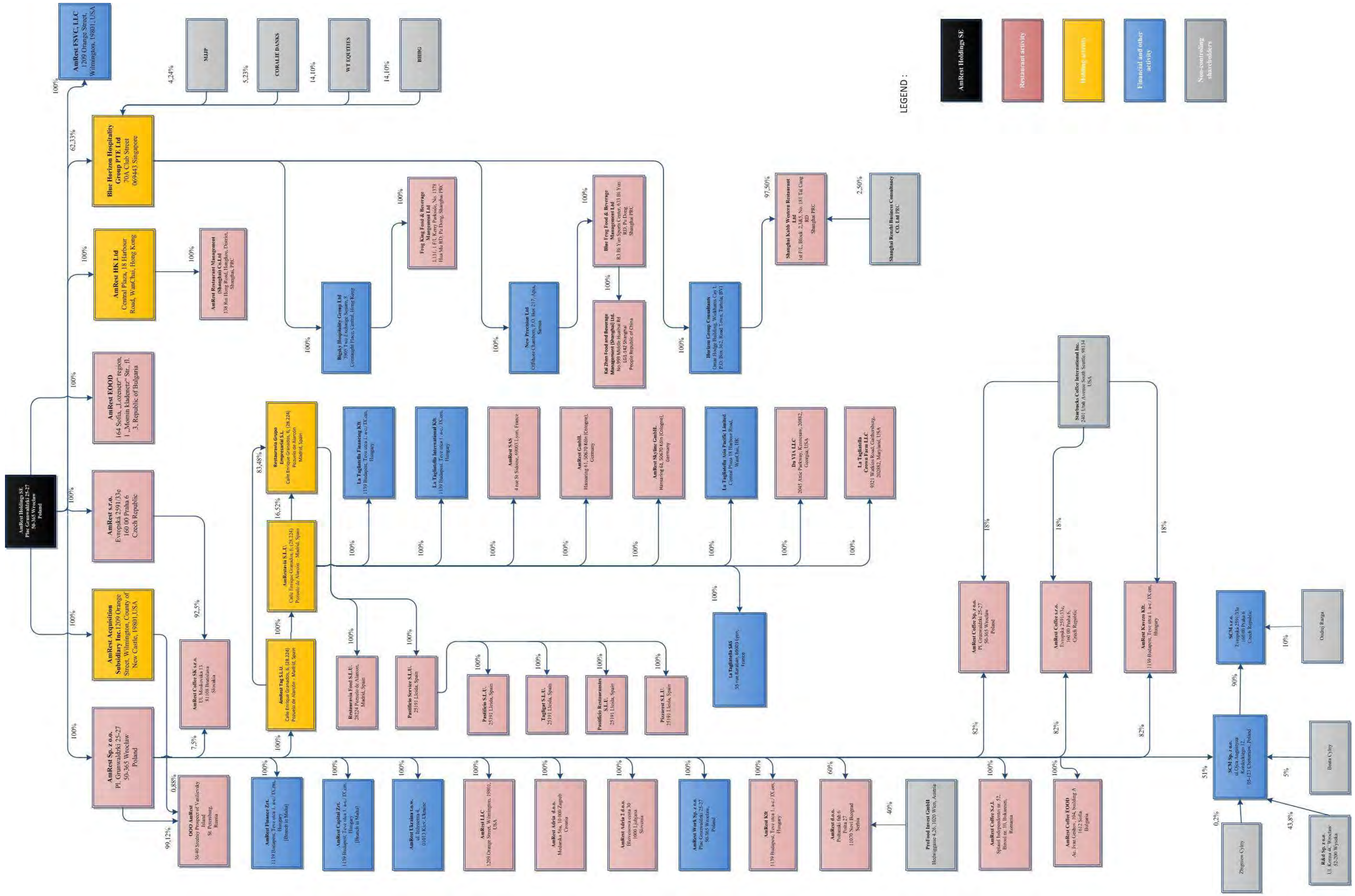
Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
AmRest Acquisition Subsidiary Inc.	Wilmington, USA	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRestavia S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	AmRestavia S.L.U.	16.52%	April 2011
		AmRest TAG S.L.U.	83.48%	
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
Blue Horizon Hospitality Group PTE Ltd	Singapore, China	AmRest Holdings SE	62.33%	December 2012
		WT Equities	14.10%	
		BHHG	14.10%	
		MJJP	4.24%	
		Coralie Danks	5.23%	
Bigsky Hospitality Group Ltd	Hong Kong, Chiny	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012

(in PLN thousands unless stated otherwise)

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
Horizon Group Consultants (BVI)	Road Town, Tortola, BVI	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
Restaurant activity				
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czech	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	82.00%	March 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Petersburg, Russia	AmRest Acquisition Subsidiary Inc.	0.88%	July 2007
		AmRest Sp. z o.o.	99.12%	
AmRest Coffee s.r.o.	Prague, Czech	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest d.o.o.	Belgrad, Serbia	AmRest Sp. z o.o.	60.00%	October 2007
		ProFood Invest GmbH	40.00%	
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
Da Via, LLC	Kennesaw, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Crown Farm, LLC	Gaithersburg, USA	AmRestavia S.L.U.	100.00%	June 2013
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Lleida, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Tagligat S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Pastificio S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
AmRest Restaurant Management Co. Ltd	Shanghai, China	AmRest HK Ltd	100.00%	November 2012
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
La Tagliatella LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Szanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Szanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Szanghai, China	Horizon Group Consultants (BVI)	97.50%	December 2012
		Shanghai Renzi Business Consultancy Co. Ltd	2.50%	

(in PLN thousands unless stated otherwise)

Company name	**Seat**	**Parent/non-controlling undertaking**	**Owner-ship interest and total vote**	**Date of effective control**
AmRest Skyline GmbH	Cologne, Germany	AmRestavia S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd.	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
Pizzarest S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	September 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee S.r.l.	Bucharest, Romania	Amrest Sp. Z o.o.	100.00%	June 2015
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	92.50%	December 2015
		AmRest Sp. z o.o.	7.50%	
Financial services for the Group				
AmRest Capital Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
La Tagliatella International Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Financing Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Asia Pacific Ltd	Hong Kong, China	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella SAS	Lyon, France	AmRestavia S.L.U.	100.00%	March 2014
AmRest FSVC, LLC	Delaware, USA	AmRest Holdings SE	100,00%	November 2014
Supply services for restaurants operated by the Group				
SCM Sp. z o.o.	Chotomow, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&d Sp. z o.o.	43.80%	
		Beata Cylny	5.00%	
		Zbigniew Cylny	0.20%	
Lack of business activity				
AmRest Ukraina t.o.w.	Kiev, Ukraine	AmRest Sp. z o.o.	100.00%	December 2005
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o	100.00%	March 2012



(in PLN thousands unless stated otherwise)

As at December 31, 2015 the Group posses the following associated entities included in the financial statements under the equity method:

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total Group vote	Date of acquisition
SCM s.r.o.	Prague, Czech	Delivery services for restaurants provided to the Group	SCM Sp. z o.o.	45.90%	March 2007

At December 31, 2015 the restaurants operated by the Group are located in Poland, the Czech Republic, Romania, Hungary, Russia, Bulgaria, Serbia, Croatia, Spain, Germany, France and China.

Related party transaction

Trade and other receivables from related entities

	December 31, 2015	December 31, 2014
AmRest s.r.o.	563	19
AmRest Sp. z o.o.	16 120	3 282
SCM Sp. z o.o.	-	119
AmRest LLC	-	51
OOO AmRest	12	33
AmRest HK Ltd.	-	47
AmRest GmbH	11	-
Frog King & Beverage	-	11
Related party employees.	6	58
	16 712	**3 620**

Loans granted to related entities

	December 31, 2015	December 31, 2014
AmRest Sp. z o.o.	174 200	212 000
AmRest s.r.o.	-	20 500
AmRest HK Ltd.	-	4 597
Blue Horizon Hospitality Group PTE LTD.	8 019	8 114
	182 210	**245 211**

Trade and other payables to related entities

	December 31, 2015	December 31, 2014
AmRest Sp. z o.o.	10	1
AmRest HK Ltd.	-	526
AmRest LLC	87	90
La Tagliatella LLC	-	217
	97	**834**

(in PLN thousands unless stated otherwise)

Other operating income from related entities

	12 months ended December 31, 2015	12 months ended December 31, 2014
AmRest Sp. z o.o.	22 532	1 828
Frog King & Beverage	10	11
AmRest s.r.o.	776	100
AmRest LLC	5 128	31
OOO AmRest	12	33
AmRest KFT	-	1
AmRest Coffee Sp. z o.o.	118	73
SCM Sp. z o.o.	287	119
La Tagliatella LLC	1 375	-
AmRest GmbH.	13	-
Restauravia Grupo Empresarial	-	285
	30 251	**2 481**

Other operating cost – related entities	12 months ended December 31, 2015	12 months ended December 31, 2014
Frog King & Beverage – impairment	(21)	-
AmRest HK Ltd. – impairment	(4 808)	(21 201)
AmRest LLC - impairment	(6 090)	-
	(10 919)	**(21 201)**

General and administrative expenses – related entities	12 months ended December 31, 2015	12 months ended December 31, 2014
AmRest Sp. z o.o.	(110)	(33)
AmRest Coffee Sp. z o.o.	-	(1)
AmRest s.r.o	-	(1)
Restauravia Grupo Empresarial	-	(286)
AmRest Kft	-	(7)
AmRest LLC	(124)	(73)
La Tagliatella LLC	(1 311)	(274)
	(1 545)	**(675)**

Financial income form related entities	12 months ended December 31, 2015	12 months ended December 31, 2014
AmRest Sp. z o.o. – interest	9 800	13 145
AmRest s.r.o. – interest	663	1 146
AmRest s.r.o. – dividend	6 606	-
AmRest HK Ltd. – interest	-	161
AmRest LLC – valuation	436	-
La Tagliatella LLC – valuation	11	-
Blue Horizon Hospitality Group PTE LTD - interest	1 292	288
	18 808	**14 740**

(in PLN thousands unless stated otherwise)

Financial cost – related entities	**12 months ended December 31, 2015**	**12 months ended December 31, 2014**
La Tagliatella LLC - valuation	(12)	-
AmRest HK – valuation	(33)	-
Blue Horizon Hospitality Group PTE Ltd. – valuation	(2)	-
AmRest LLC – valuation	(410)	-
	(457)	-

Transactions with the management/ Management Board, Supervisory Board

Remuneration of the Management and Supervisory Board

	12 months ended December 31, 2015	**12 months ended December 31, 2014**
Remuneration of the Management and Supervisory Boards paid by the Company's subsidiaries	9 620	6 891
Total remuneration of the Management Board and Supervisory Board	**9 620**	**6 891**

The Group's key employees also participate in an employee share option plan (see note 6). The costs relating to the employee option plan in respect of management amounted to PLN 10.078 thousand and PLN 5.332 thousand respectively in the 12 month period ended December 31, 2015 and 2014.

		For the 12 months ended December 31, 2015	**For the 12 months ended December 31, 2014**
Number of options awarded		637 869	760 750
Number of available options		352 115	555 317
Fair value of options as at the moment of awarding	PLN	20 176 377	18 896 200

As at December 31, 2015 and as at December 31, 2014 there were no liabilities to former employees.

12 Commitments and contingencies

The status of the guarantees offered by the Group as at December 31, 2015 is as follows:

	Guarantee site	**Guarantee mechanism**	**Maximum amount**
Warranty of the lease restaurant in USA	AmRest Holdings SE warrants AmRest LLC to GLL Perimeter Place, L.P.	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism
Warranty of the lease restaurant in Germany	AmRest Holdings SE warrants AmRest GmbH to Berliner Immobilien Gesellschaft GbR	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism

With respect to agreements in USA negotiations with the owners are in progress.

13 Financial instruments

Fair value estimation

As at financial statement publishing date fair value of financial instruments which are in turnover on active market bases on market quotation. Fair value of financial instruments which aren't in turnover on active market is calculated by using valuation techniques.

The Company uses different methods and assumes assumptions based on market conditions as at each balance sheet date. Fair value of financial assets and investment property available for sale, which aren't in turnover on active market, is calculated with using sector indexes and last available information concerning the investment. Fair value of currency exchange rate option and forwards is calculated based on valuation made by banks which issued the instrument.

The following fair value valuations concerning financial instruments were used by the Company:

- quoted prices (not adjusted) from active markets for the same assets and liabilities (Level 1),
- input data different from quoted prices included in Level 1, which are observed for assets and liabilities directly (as prices) or indirectly (based on prices) (Level 2),
- input data for valuation of assets and liabilities, which don't base on possible to observe market data (input data not observed) (Level 3).

The table below presents financial instruments in the Company, which are not measured at fair value, in their book value and fair value, in division on classes and categories of assets and liabilities:

In thousands of Polish Zloty				**31.12.2015**		**31.12.2014**	
Financial instrument	**IAS 39 category**	**Fair value hierachy**	**Notes**	**Fair value**	**Book value**	**Fair value**	**Book value**
Other non-current financial assets	A	3	3	174 200	174 200	232 500	232 500
Other current financial assets	A	*	3	8 019	8 019	12 711	12 711
Trade and other receivables	A	*	5	16 718	16 718	4 089	4 089
Other current assets				144	144	80	80
Cash and cash equivalents	A	*	8	14 012	14 012	1 964	1 964
Non-current bonds liabilities	B	3	4	279 157	279 157	278 775	278 775
Trade and other payables	B	*	6	3 399	3 399	1 603	1 603

A - loans and receivables measured at amortised cost

B - financial liabilities measured at amortised cost

** It is assumed, that fair value almost equals the book value, therefore no fair value measurement techniques have been used to valuation of these items.*

Book values of short-term: receivables, other assets, payables, loans and liabilities are similar to their fair values due to short term capacity. According to the estimations of the Company, fair value of non-current assets and liabilities immaterially differ from their respective book value.
As at December 31, 2015 the Company did not possess financial instruments measured at fair value. As at December 31, 2015 the Group did not recognize the transfers between levels of fair value valuations.

(in PLN thousands unless stated otherwise)

The Company is exposed to a variety of financial risks: market risk (including currency and interest rate risk) and - to a limited extent - credit risk. The risk management program implemented by the Company is based on the assumption of the unpredictability of the financial markets and is used to maximally limit the impact of negative factors on the Company's financial results.

Risk management is carried out based on procedures approved by the Management Board.

Credit risk

Financial instruments that are exposed to the credit risk include cash and cash equivalents, receivables and loans. The Company invests cash and cash equivalents in highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to their level as at balance sheet date. As at December 31, 2015 maximum amount exposed to credit risk was 199 825 TPLN and consist of the intercompany receivables from loan granted to related party (note 3). As at December 31, 2015, the Company create an impairment on loans and receivables in the amount of 10 596 thousand. PLN

Interest rate risk

The loan granted to the subsidiary (Note 3) was based on a floating interest rate. As at December 31, 2014, the Company did not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The fair value of that instruments, does not differ significantly from its carrying value.

Foreign currency risk

The Company is exposed to the foreign currency risk mainly due to the receivables and payables valuation denominated in currencies other than functional currency of the Company. The exposure to foreign currency cash flow risk is not hedged as there is no impact on cash flows.

Liquidity risk

The Company does not provide any operating activities except of holding activity, which results in no need of constant access to the financing and control over timely liability payments.

For the purpose of financing of investment activities of the Group, the Company issued bonds (Note 4) for the amount of PLN 280 million. Details of this bonds is presented in note 4.

Capital risk

The Entity manages capital risk to protect its ability to continue in operation, so as to enable it to realize returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost. Financing at the level of 3,5 of yearly EBITDA is treated as acceptable target and safe level of capital risk.

The Entity monitors capital using the gearing ratio. The ratio is calculated as net debt to the value of EBITDA. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents. EBITDA is calculated as the profit from operations before interest, taxes, depreciation and amortization and impairment.

The gearing ratios at December 31, 2015 and December 31, 2014 were as follows:

	December 31, 2015	**December 31, 2014**
Bonds obligations and other liabilities	304 512	315 588
Less: cash and cash equivalent	(14 012)	(1 964)
Net debt	290 500	313 624
Total equity	800 728	811 172
Capital involved	1 091 228	1 124 796
Gearing ratio	**28%**	**28%**

(in PLN thousands unless stated otherwise)

Recent volatility in global and country financial markets

Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

14 Earnings per share

The basic and diluted earnings per ordinary share for the 12 months ended December 31, 2015 and December 31, 2014 was calculated as follows:

	12 months ended December 31, 2015	**12 months ended December 31, 2014**
Profit/loss for the period	647	(20 915)
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Profit/loss per ordinary share		
Basic profit/loss per ordinary share	0,03	(0,99)
Diluted profit/loss per ordinary share	0,03	(0,99)

On December 1st, 2014 , expired possibility for AmRest Holdings SE Exec to make capital increases to the amount of EUR 5 thousand the authorized capital (in accordance with paragraph 4.1 of the Articles of Association of the Company) . This law was given the resolutions of the AGM of shareholders No. 13 of June 10 th 2011. As at December 31 st 2015, the Company is not possible potential issuance of shares for the clearance of the stock option schemes. Settlement of share option plans can be made in the form of shares or cash.

15 Collateral on borrowings

The loans incurred by the Company do not account for collateral set up on fixed assets and other assets owned by the Company. The Borrowers (AmRest Holding SE, AmRest Sp. z o.o. and AmRest s.r.o.) are jointly and severally responsible for paying the liabilities resulting from credit agreements. Additionally, Group companies – OOO AmRest, AmRest TAG S.L.U., AmRestavia S.L.U., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., AmRest Finance Zrt and AmRest Capital Zrt – granted guarantees to the financing banks. These companies guarantee that the Borrowers will discharge their obligations following from the credit agreement until the loan is repaid, i.e. September 10th, 2018.

16 Events after the balance sheet date

On January 22, 2016 was signed by AmRest Group an Area Development and Operation Agreement and Supply Agreement regarding the rights and license to develop, own and operate Starbucks stores in the Slovak Republic.

Signatures of Board Members

Drew O'Malley
AmRest Holdings SE
Board Member

Mark Chandler
AmRest Holdings SE
Board Member

Wojciech Mroczyński
AmRest Holdings SE
Board Member

Jacek Trybuchowski
AmRest Holdings SE
Board Member

Oksana Staniszewska
AmRest Holdings SE
Board Member

Olgierd Danielewicz
AmRest Holdings SE
Board Member

Wrocław, March 11, 2016

Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2015 to the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings Spółka Europejska

This report contains 14 consecutively numbered pages and consists of:

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

pwc

I. General information about the Group

a. AmRest Holdings Spółka Europejska ("the Parent Company") with its seat in Wrocław, plac Grunwaldzki 25-27 Street is the parent company of the AmRest Holdings SE Group ("the Group").

b. AmRest Holdings Spółka Europejska ("the Parent Company") was established in the Netherlands in October 2000 as joint-stock company. On 19 September 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Parent Company to a European Company (Societas Europeae) and of its name to AmRest Holdings Spółka Europejska. On 22 December 2008, the Parent Company was entered in the Register of Businesses maintained by the District Court for Wrocław-Fabryczna VI Business Department of the National Court Register, with the reference number KRS 0000320252. The Court also registered the changes in the Memorandum of Association of the Parent Company relating to the transfer of the registered office of Parent Company to Poland.

c. On 16 January 2009 the Parent Company was assigned a tax identification number (NIP) 101-00-02-998 for the purpose of making tax settlements. On 5 January 2009 the Parent Company was assigned a REGON number 020891041 for statistical purposes.

d. As at 31 December 2015 and at the report signing date the Parent Company's share capital amounted to EUR 212,138.93 and consisted of 21,213,893 shares, with a nominal value of EUR 0.01 each. Consolidated equity as at 31 December 2015 was positive and amounted to PLN 1.104.074 thousand.

e. As at 31 December 2015 and at the report signing date, the Parent Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN '000)	Type of shares held	Votes (%)
FCapital Dutch B.V.	6.726.790	227	ordinary	31,71
Nationale-Nederlanden Otwarty Fundusz Emerytalny	2.539.429	85	ordinary	11,97
PZU Powszechne Towarzystwo Emerytalne*	2.779.734	94	ordinary	13,10
Aviva Otwarty Fundusz Emerytalny	2.100.000	71	ordinary	9,90
Others	7.067.940	237	ordinary	33,32
	21.213.893	**714**		**100,00**

* at the date of signing the report PZU PTE shareholder held 2.120.901 shares entitling to 10 % participate in AGM and the share of Others in the Company shareholding structure was 36,42%.

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

I. General information about the Group (cont.)

As at 31 December 2014, the Parent Company's shareholders were:

Shareholder's name	Number of shares held	Par value of shares held (PLN '000)	Type of shares held	Votes (%)
WP Holdings VII B.V.	6.726.790	227	ordinary	31,71
ING Otwarty Fundusz Emerytalny	4.000.000	135	ordinary	18,86
PZU Powszechne Towarzystwo Emerytalne	3.000.000	101	ordinary	14,14
Aviva Otwarty Fundusz Emerytalny	2.110.000	71	ordinary	9,95
Others	5.377.103	180	ordinary	25,34
	21.213.893	**714**		**100,00**

f. In the audited year, the Group's operations comprised operating, through its subsidiaries in Poland, the Czech Republic, Hungary, Russia, Serbia, Croatia, Bulgaria and Spain, on the basis of franchise agreements of Kentucky Fried Chicken ("KFC"), "Pizza Hut", "Burger King" and "Starbucks" restaurants. On the territory of Spain, France, Germany, and China, restaurant operations under private brands La Tagliatella, Trastevere and il Pastificcio are conducted on basis of franchise agreements through parties unrelated with the Group and through own restaurants, using the central kitchen which produces and distributes products to the whole network, of the above-mentioned private brands. Additionally, on the territory of China, restaurant operations under private brands Blue Frog and KABB.

g. During the audited year, the Management Board of the Parent Company comprised:

- Mark Chandler — Board Member,
- Drew O'Malley — Board Member,
- Wojciech Mroczyński — Board Member,
- Jacek Trybuchowski — Board Member,
- Oksana Staniszewka — Board Member — from December 8,2015,
- Olgierd Danielewicz — Board Member — from December 8, 2015.

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

I. General information about the Group (cont.)

h. As at 31 December 2015, the AmRest Holdings SE Group comprised the following entities:

Name	Nature of equity relationship (interest in %)	Consolidation method	Auditor of the financial statements	Type of opinion	Balance sheet date
AmRest Holdings SE	Parent Company	Not applicable	PricewaterhouseCoopers Sp. z o.o. Poland	Unqualified opinion for the statutory purposes.	31 December 2015
AmRest Acquisition Subsidiary Inc.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest TAG S.L.U	Subsidiary (100%)	Full	PricewaterhouseCoopers Auditores, S.L., Spain	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRestavia S.L.U	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
Restauravia Grupo Empresarial S.L	Subsidiary (100%)	Full	PricewaterhouseCoopers Auditores, S.L, Spain	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRest HK Ltd	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
Blue Horizon Hospitality Group PTE Ltd.	Subsidiary (62,33%)	Full	PricewaterhouseCoopers Zhong Tian LLP, China	As of the date of the report the statutory opinion was not issued.	31 December 2015
Bigsky Hospitality Group ltd	Subsidiary (62,33%)	Full	The Company was not subject to an audit	-	31 December 2015
New Precision Ltd	Subsidiary (62,33%)	Full	The Company was not subject to an audit	-	31 December 2015
Horizon Group Consultants (BVI)	Subsidiary (62,33%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest Sp. z o.o	Subsidiary (100%)	Full	PricewaterhouseCoopers Sp. z.o.o, Poland	Unqualified opinion for the statutory purposes.	31 December 2015
AmRest s.r.o.	Subsidiary (100%)	Full	PricewaterhouseCoopers Sp. z o.o, Czech Republic	As of the date of the report the statutory opinion was not issued.	31 December 2015

I. General information about the Group (cont.)

Name	Nature of equity relationship (interest in %)	Consolidation method	Auditor of the financial statements	Type of opinion	Balance sheet date
AmRest Coffee Sp. z o.o.	Subsidiary (82%)	Full	PricewaterhouseCoopers Sp. z o.o., Poland	Unqualified opinion for the statutory purpose.	31 December 2015
AmRest EOOD	Subsidiary (100%)	Full	PricewaterhouseCoopers Audit OOD, Bulagaria	As of the date of the report the statutory opinion was not issued.	31 December 2015
OOO AmRest	Subsidiary (100%)	Full	AO PricewaterhouseCoopers Audit, Russia	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRest Coffee s.r.o.	Subsidiary (82,00%)	Full	PricewaterhouseCoopers Audit s.r.o., Czech Republic	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRest Kávézó Kft.	Subsidiary (82,00%)	Full	PricewaterhouseCoopers Könyvvizsgáló Kft., Hungary	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRest d.o.o.	Subsidiary (60,00%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest LLC	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
Da Via, LLC	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
La Tagliatella - Crown Farm, LLC	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
Restauravia Food S.L.U.	Subsidiary (100%)	Full	PricewaterhouseCoopers Auditores, S.L., Spain	As of the date of the report the statutory opinion was not issued.	31 December 2015
Pastificio Service S.L.U.	Subsidiary (100%)	Full	PricewaterhouseCoopers Auditores, S.L., Spain	As of the date of the report the statutory opinion was not issued.	31 December 2015
Pastificio Restaurantes S.L.U.	Subsidiary (100%)	Full	PricewaterhouseCoopers Auditores, S.L., Spain	As of the date of the report the statutory opinion was not issued.	31 December 2015
Tagligat S.L.U.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
Pastificio S.L.U.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015

I. General information about the Group (cont.)

Name	Nature of equity relationship (interest in %)	Consolidation method	Auditor of the financial statements	Type of opinion	Balance sheet date
AmRest Adria d.o.o.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest GmbH	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest SAS	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest Adria 2 d.o.o.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
Frog King Food&Beverage Management Ltd.	Subsidiary (63,33%)	Full	The Company was not subject to an audit	-	31 December 2015
Blue Frog Food&Beverage Management Ltd.	Subsidiary (62,33%)	Full	The Company was not subject to an audit	-	31 December 2015
Shanghai Kabb Western Restaurant Ltd.	Subsidiary (60,77%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest Skyline GmbH	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
Kai Zhen Food and Beverage Management (Shanghai) Ltd.	Subsidiary (62,33%)	Full	The Company was not subject to an audit	-	31 December 2015
Pizzarest S.L.U.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest Coffee EOOD	Subsidiary (100%)	Full	PricewaterhouseCoopers Audit OOD, Bulagaria	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRest Coffee s.r.l.	Subsidiary (100%)	Full	PricewaterhouseCoopers Servicii S.R.L	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRest Coffee SK s.r.o.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest Capital Zrt.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015

I. General information about the Group (cont.)

Name	Nature of equity relationship (interest in %)	Consolidation method	Auditor of the financial statements	Type of opinion	Balance sheet date
La Tagliatella International Kft.	Subsidiary (100%)	Full	The Company was not subject to au audit	-	31 December 2015
La Tagliatella Financing Kft.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
La Tagliatella Asia Pacific Ltd	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
La Tagliatella SAS	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest FSVC, LLC	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
SCM Sp. z o.o.	Subsidiary (51,00%)	Full	PricewaterhouseCoopers Sp. z o.o., Poland	As of the date of the report the statutory opinion was not issued.	31 December 2015
AmRest Ukraina t.o.w.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015
AmRest Work Sp. z o.o.	Subsidiary (100%)	Full	The Company was not subject to an audit	-	31 December 2015

I. General information about the Group (cont.)

i. During the financial year, the following changes took place in the scope of consolidation:

- acquisition of AmRest Coffee EOOD;
- acquisition of AmRest Coffee S.r.l;
- the company AmRest Coffeee SK s.r.o was established;
- the company Amrest Services SP. z o.o was liquidated;
- the company La Tagliatella- Seneca Meadows, LLC was liquidated;
- the company La Tagliatella LLC was liquidated;
- the company La Tagliatella – The Pormenade, LLC was liquidated;
- merger of Olbea s.r.o with Amrest Cofee s.r.o.

In 2015, the Group increased its shareholdings in the following subsidiaries:

- AmRest HK Ltd from 82,00% to 100,00%,
- AmRest Restaurant Management Co. Ltd from 82,00% to 100,00%,
- Blue Horizon Hospitality Group PTE Ltd from 56,60% to 62,33%,
- Bigsky Hospitality Group Ltd from 56,60% to 62,33%,
- New Precision Ltd from 56,60% to 62,33%,
- Horizon Group Consultants (BVI) from 56,60% to 62,33%,
- Frog King Food&Beverage Management Ltd from 56,60% to 62,33%,
- Blue Frog Food&Beverage Management Ltd from 56,60% to 62,33%,
- Shanghai Kabb Western Restaurant Ltd from 55,19% to 60,77%.

j. The Parent Company is an issuer of securities admitted for trading on the Warsaw Stock Exchange. In accordance with the choice of selecting accounting policies permitted by the Accounting Act, the Company has decided to prepare its consolidated financial statements in accordance with IFRS as adopted by the European Union.

II. Information about the audit

a. The audit of the consolidated financial statements as at and for the year from 1 January to 31 December 2015 was conducted by PricewaterhouseCoopers Sp. z o.o. with its seat in Warsaw, Al. Armii Ludowej 14, registered audit company no. 144 . The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor, the Group's registered auditor Katarzyna Ignaszak (no. 11715).

b. PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Parent Group by Resolution No. 1/02/2015 of the Supervisory Board of AmRest Holdings Spółka Europejska dated February 23, 2015 in accordance with paragraph 12 p.1d of the Parent Company's Memorandum of Association.

c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the entities belonging to the Group within the meaning of art. 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (Journal of Laws No. 77, item 649, as amended).

d. The audit was conducted in accordance with an agreement dated June 18, 2015 in the following periods:

- interim audit — from 16 November 2015 to 17 November 2015,
- final audit — from 25 January 2016 to 11 March 2016, at intervals.

III. The Group's results, financial position and significant items of the consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2015 (selected lines)

	31.12.2015 r. PLN '000	31.12.2014 r. PLN '000	Change PLN '000	Change (%)	Structure 31.12.2015 r. (%)	Structure 31.12.2014 r. (%)
ASSETS						
Non-current assets	2.325.352	2.220.770	104.582	4,7	81,6	84,7
Current assets	523.772	401.073	122.699	30,6	18,4	15,3
Total assets	**2.849.124**	**2.621.843**	**227.281**	**8,7**	**100,0**	**100,0**

	31.12.2015 r. PLN '000	31.12.2014 r. PLN '000	Change PLN '000	Change (%)	Structure 31.12.2015 r. (%)	Structure 31.12.2014 r. (%)
LIABILITIES AND EQUITY						
Equity	1.104.074	975.642	128.432	13,2	38,7	37,2
Long-term liabilities	1.179.617	1.293.006	(113.389)	(8,8)	41,4	49,3
Short-term liabilities	565.433	353.195	212.238	60,1	19,9	13,5
Total liabilities and equity	**2.849.124**	**2.621.843**	**227.281**	**8,7**	**100,0**	**100,0**

III. The Company's results, financial position and significant items of the consolidated financial statement (cont.)

CONSOLIDATED INCOME STATEMENT
for the year from 1 January to 31 December 2015 (selected lines)

	2015 r. PLN '000	2014 r. PLN '000	Change PLN '000	Change (%)	Share in revenues 2015 r. (%)	Share in revenues 2014 r. (%)
Revenue from restaurants, franchise and other operations	3.338.740	2.952.651	386.089	13,1	100,0	100,0
Profit from operations	**195.743**	**109.895**	**85.848**	**78,1**	**5,9**	**3,7**
Profit before tax	**162.283**	**65.331**	**96.952**	**>100,0**	**4,9**	**2,2**
Net profit	**157.339**	**46.070**	**111.269**	**>100,0**	**4,7**	**1,6**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year from 1 January to 31 December 2015 (selected lines)

	2015 r. PLN '000	2014 r. PLN '000	Change PLN '000	Change (%)	Share in revenues 2015 r. (%)	Share in revenues 2014 r. (%)
Net profit	**157.339**	**46.070**	**111.269**	**>100,0**	**4,7**	**1,6**
Other net comprehensive income	(21.668)	(79.483)	57.815	(72,7)	(0,6)	(2,7)
Total comprehensive income	**135.671**	**(33.413)**	**169.084**	**>100,0**	**4,1**	**(1,1)**

III. The Company's results, financial position and significant items of the consolidated financial statement (cont.)

Selected ratios characterizing the Group's financial position and results

The following ratios characterize the Group's activities, results of operations during the year and its financial position as at the balance sheet date compared with previous years:

	2015	**2014**	**2013**
Asset ratios			
- receivables turnover	4 days	5 days	6 days
- inventory turnover	7 days	7 days	7 days
Profitability ratios			
- net profit margin	4,7%	1,6%	0,2%
- gross margin	5,6%	4,4%	2,0%
- return on capital employed	15,1%	4,6%	0,6 %
Liability ratios			
- gearing	61,2%	62,8%	60,3 %
- payables turnover	19 days	18 days	19] days
	31.12.2015	**31.12.2014**	**31.12.2013**
Liquidity ratios			
- current ratio	0,9	1,1	0,8
- quick ratio	0,8	1,0	0,7

The above ratios have been calculated on the basis of the consolidated financial statements

It was not the purpose of the audit to present the Group in the context of the results of operations and ratios achieved. A detailed interpretation of the ratios requires an in-depth analysis of the Group's operations and its circumstances.

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

III. The Company's results, financial position and significant items of the consolidated financial statement (cont.)

The following comments are based on information obtained during the audit of the consolidated financial statements.

The factors described below had a significant impact on the Group's results of operations and on its financial position as at the balance sheet date:

- At the end of the financial year, the Group's total assets amounted to PLN 2.849.124 thousand. During the year total assets increased by PLN 227.281 thousand, i.e. by 8,7%. The increase in total assets has been mainly financed by the net profit (of 157.339 thousand), increase in trade accounts payable and other payable (of PLN 116.901 thousand) and increase in interest-bearing loans and borrowings (of PLN 8.980 thousand), with a simultaneous increase in foreign exchange losses (of PLN 24.231 thousand) and decrease in deferred tax liability (od PLN 13.099 thousand).

- Group liability ratios and the structure of liabilities have changed. The gearing ratio decreased from 62,8% at the end of the previous year to 61,2% at the end of the current year. The payables turnover ratio increased from 18 days to 19 days, respectively.

- The Group's total revenue from continued operations amounted to PLN 3.338.740 thousand and increased by PLN 386.089 thousand, i.e. by 13,1% compared with the previous year. Sales revenue comprised revenue from restaurant, franchise and other operations. The highest share in revenue is generated from the Group's main markets, i.e. in countries from Central-Eastern Europe (59,5% of the total revenue) and in Spain (21,1% of the total revenue).

- The cost of food and materials used was the largest item of operating expenses and amounted to PLN 1.118.475 thousand in the audited year, which constituted 35,5% of operating expenses. The cost of food and materials used has increased by PLN 108,988 thousand, i.e. by 10,8% compared with the previous year.

- Profitability measured with net profit amounted to 4,7% and was 3,1 percentage points higher than in the previous year. The change in the Group's profitability was primarily due to increase of scale of Group operations and achieving higher cost-effectiveness.

- The Group's liquidity has changed. In the audited year, the current and quick ratios, which amounted to 0,9 (2014: 1.1) and 0,8 (2014: 1,0) respectively, decreased mainly due to higher amount of short-term liabilities.
  The financial statements have been prepared on the assumption that the Company will continue in operation as a going concern.

IV. The independent registered auditor's statements

a. The Management Board of the Parent Company provided all the information, explanations, and representations required by us in the course of the audit and provided us with a representation letter confirming the completeness of the information included in the accounting records and the disclosure of all contingent liabilities and post balance-sheet events which occurred up to the date on which that letter was signed.

b. The scope of the audit was not limited.

c. The calculation of goodwill arising in the audited year and its recognition in the consolidated financial statements complied in all material respects with the adopted accounting policies.

d. The consolidation of equity items and the determination of minority interests were carried out properly in all material respects.

e. The elimination of mutual balances (receivables and payables) and transactions (revenue and costs) of the consolidated entities were carried out, in all material respects, in accordance with IFRS as adopted by the European Union.

f. The elimination of unrealized gains/losses of consolidated entities included in the book value of assets and in respect of dividend payments was carried out, in all material respects, in accordance with IFRS as adopted by the European Union.

g. The impact of the disposal or partial disposal of shares in subordinated entities was accounted for properly in all material respects, in accordance with IFRS as adopted by the European Union.

h. The consolidation documentation was complete and accurate and it is stored in a manner ensuring proper safeguarding.

i. The consolidated financial statements of the Group as at and for the year ended 31 December 2014 were approved by Resolution No. 4 passed by the General Shareholders' Meeting of the Parent Company on 19 May 2015 and filed with the National Court Register in Wroclaw on 11 June 2015.

j. The notes to the consolidated financial statements, which include the introduction and additional notes and explanations present all the significant information in accordance with IFRS as adopted by the European Union.

k. The information in the Group Directors' Report for the year from 1 January to 31 December 2015 has been presented in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information to be provided by issuers of securities and conditions for recognizing as equivalent the information required by the provisions of law of a country not being a member state (Journal of Laws of 2014, item 133) and is consistent with that presented in the consolidated financial statements.

V. Final information

This report has been prepared in connection with our audit of the consolidated financial statements of the AmRest Holdings SE Group having AmRest Holdings Spólka Europejska, pl.Grunwaldzki 25-27, Wroclaw, as its Parent Company. The consolidated financial statements were signed by the Parent Company's Management Board on 11 March 2016.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings Spółka Europejska dated March 11, 2015, concerning the said consolidated financial statements. The opinion on the consolidated financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the consolidated financial statements.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o Registered Audit Company No. 144:

Katarzyna Ignaszak

Group Registered Auditor, Key Registered Auditor
No. 11715

Wroclaw, 11 march 2016

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

AmRest Holdings Spółka Europejska

Independent Registered Auditor's Opinion for the year from 1 January to 31 December 2015

Translation note:
This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent Registered Auditor's Report to the General Shareholders' Meeting and the Supervisory Board of AmRest Holdings Spółka Europejska

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the AmRest Holdings SE Group (hereinafter called "the Group"), having AmRest Holdings Spółka Europejska, pl.Grunwaldzki 25-27, Wrocław, as its parent company (hereinafter called "the Parent Company"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated income statement of comprehensive income for the year from 1 January to 31 December 2015, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year and a summary of significant accounting policies and other explanatory notes.

The Management Board and members of the Supervisory Board responsibility for the consolidated financial statements

The Parent Company's Management Board is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union and the Report on the Group's operations and for the correctness of the books of account in accordance with the applicable regulations. The Parent Company's Management Board is also responsible for internal controls as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board and Supervisory Board are obliged to ensure that the consolidated financial statements and the Report on the Group's operations meet the requirements of the Accounting Act of 29 September 1994 ("the Accounting Act" – Journal of Laws of 2013, item 330 as amended).

Auditor's Responsibility

Our responsibility was to perform an audit of the accompanying consolidated financial statements and to express an opinion and the report on whether the consolidated financial statements present, in all material respects, a true and fair view of the Group's financial position and its financial results in accordance with the regulations and the applicable accounting policies and on the correctness of the accounting records constituting the basis for their preparation.

We conducted our audit in accordance with section 7 of the Accounting Act and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Audit and Assurance. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Independent Registered Auditor's Report
to the General Shareholders' Meeting and the Supervisory Board of
AmRest Holdings Spółka Europejska (cont.)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements in all material respects:

a. give a true and fair view of the Group's financial position as at 31 December 2015 and its financial performance and its cash flows for the year from 1 January to 31 December 2015, in accordance with the International Financial Reporting Standards as adopted by the European Union;

b. comply in terms of form and content with the applicable laws, including the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions of recognizing as equal information required by the law of other state, which is not a member state ("the Decree" – Journal of Laws of 2014, item 133);

c. have been prepared on the basis of correctly maintained consolidation documentation.

Independent Registered Auditor's Report
to the General Shareholders' Meeting and the Supervisory Board of
AmRest Holdings Spółka Europejska (cont.)

Report on Other Legal and Regulatory Requirements

Opinion on the Report on the Group's operations

The information contained in the Report on the Group's operations for the year from 1 January to 31 December 2015 accommodates the requirements of article 49 paragraph 2 of the Accounting Act and the Decree and are consistent with the information contained in the audited consolidated financial statements.

Based on the knowledge of the Group and its environment obtained during our audit we have not identified any material misstatements in the Report on the Group's operations.

In the Statement of Corporate Governance, which is a separate part of the Report on the Group's operations, the Group included information in accordance with the scope defined in the Decree. This information complies with the applicable regulations and is consistent with the information contained in the consolidated financial statements.

Auditor conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o. Registered Audit Company No. 144

Katarzyna Ignaszak

Key Registered Auditor
No. 11715

Wroclaw, 11 March 2016

AmRest Holdings SE

Consolidated

Directors' Report

For the year 2015

11 March 2016

Contents

Letter to the shareholders

Dear shareholders,

We are honored to communicate another successful year of AmRest performance at many levels. Solid foundations of growth that we have built over the last years supported by favorable macro trends in most of our markets resulted in 2015 being an amazing year for our guests, employees and shareholders.

Looking back we would like to emphasize the key developments that significantly contributed to the outstanding results, and which will also play an important role in future performance of our company. As a diversified growth platform we have reached the point, when all our divisions and brands deliver positive and continuously growing financial results. Our investment activity is gaining momentum and the quality of new builds improved significantly. Our core business – the main pillar of AmRest operations – is stronger than ever. In June we also entered a very prospective Romanian market, which also strengthened Starbucks's position within AmRest brand portfolio. In Poland we launched a very promising new format – Pizza Hut Express, while in China we continued dynamic expansion of Blue Frog in several new big cities.

Focus on the core business delivered record high results for 2015. Consolidated revenues grew by 13.1% to PLN 3 339m, EBITDA of the Group increased by 22.5% and reached PLN 436m, while net income tripled over the year and amounted to PLN 160m. Q4 2015 was the eighth consecutive quarter of double-digit EBITDA growth (YOY). Significant performance improvement wouldn't have been possible without continued growth of scale. In 2015 we opened 99 new restaurants (including 17 franchised locations), strengthening our leadership position as a restaurant operator in AmRest' s major markets. Our achievement was possible thanks to consistent realization of 80/20 investment strategy. This assumes allocation of 80% of our capital towards core business, and remaining 20% into emerging brands.

We are particularly proud of continuously growing the leading role that AmRest plays in two main regions of operation – Central Europe and Spain, additionally supported by set of positive macro trends in most of the countries. On the other hand, the Russian market remains challenging, despite very strong operating results of our restaurants. In 2015 we also observed some softened macro trends in China, impacting negatively our own business. Despite some headwind and uncertainty in those two markets, we commit to our the long-term development strategy in both markets, adjusting our investment activity there on an ongoing basis.

Looking ahead we will pursue our ambitious goals of dynamic growth both in sales and profitability. To a great extent our development will be supported by an increased pace of organic expansion and higher number of new openings. On top of that we will continue our efforts towards strengthening of our presence in Europe by pursuing M&A opportunities within the scope of existing brands or countries. Solid condition of AmRest reflected in a strong balance sheet position will play an important role enabling our growth.

Achieving and maintaining the leadership position of restaurant industry has been a result of balanced growth based on three pillars of AmRest strategy: diversified portfolio of superior **brands**, growing economies of **scale** and – most of all – team of fantastic **people** serving with passion high quality products and sharing positive energy with our customers. It is through those passionate and dedicated people that AmRest continues to be such a fast growing company. We would like to thank all of our employees for their contribution to a great 2015 year.

Management Board of AmRest Holdings SE

1. Selected financial data

DIAGRAM 1: REVENUES IN 2013-2015 (IN PLN'000)

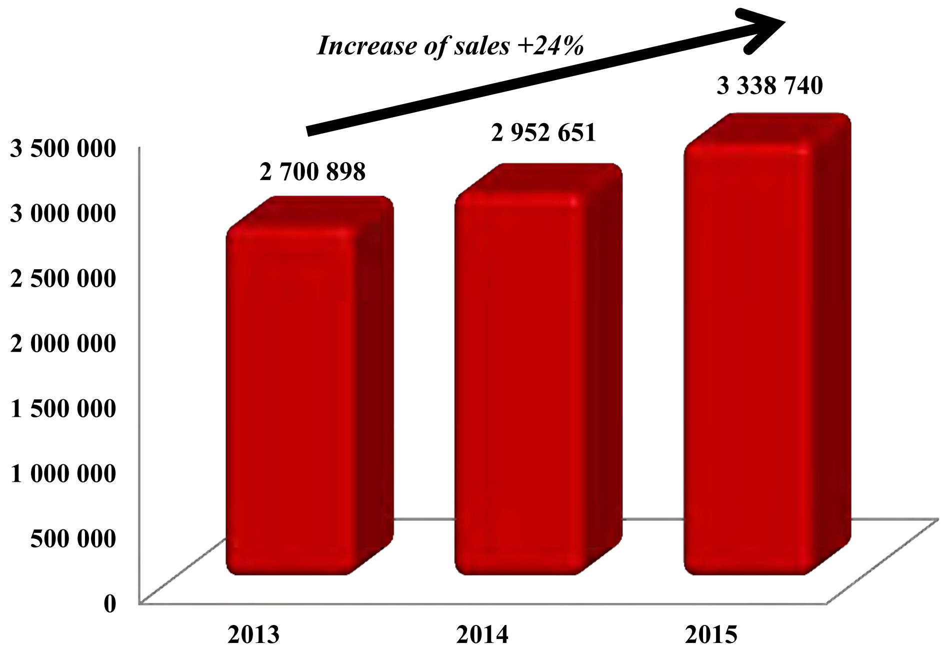


DIAGRAM 2: EBITDA IN 2013-2015 (IN PLN '000)

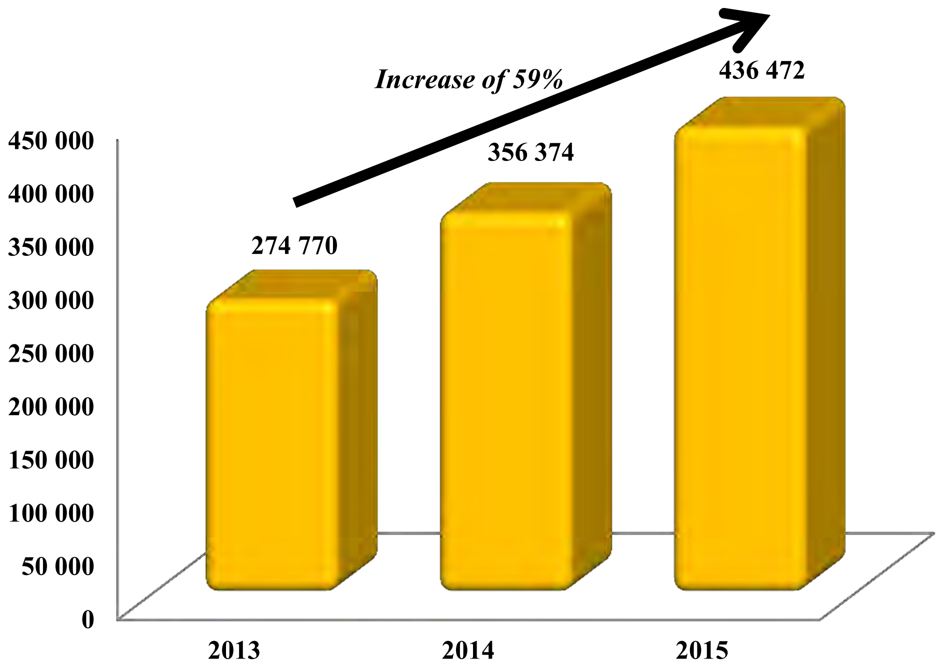
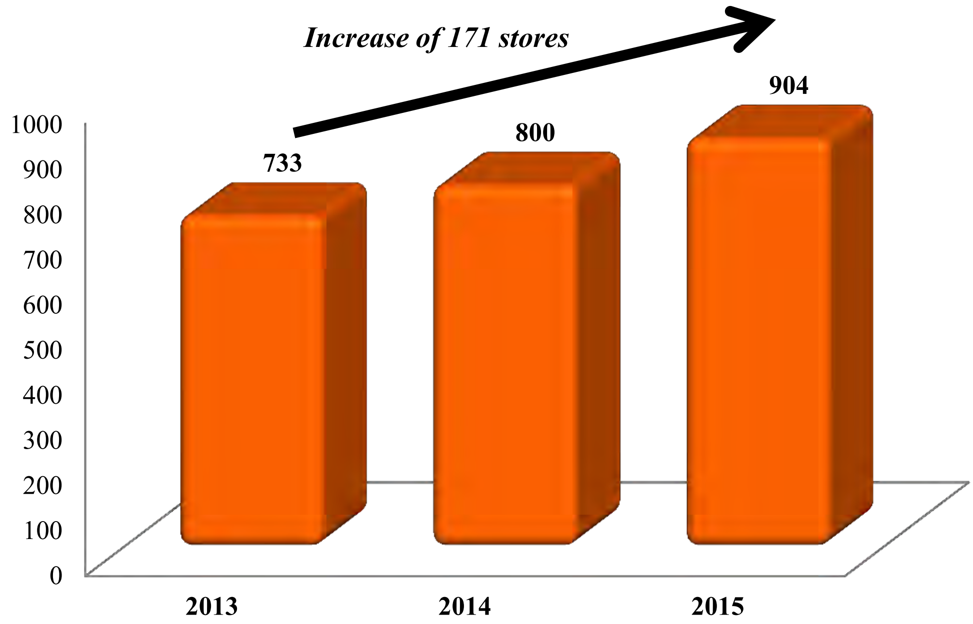
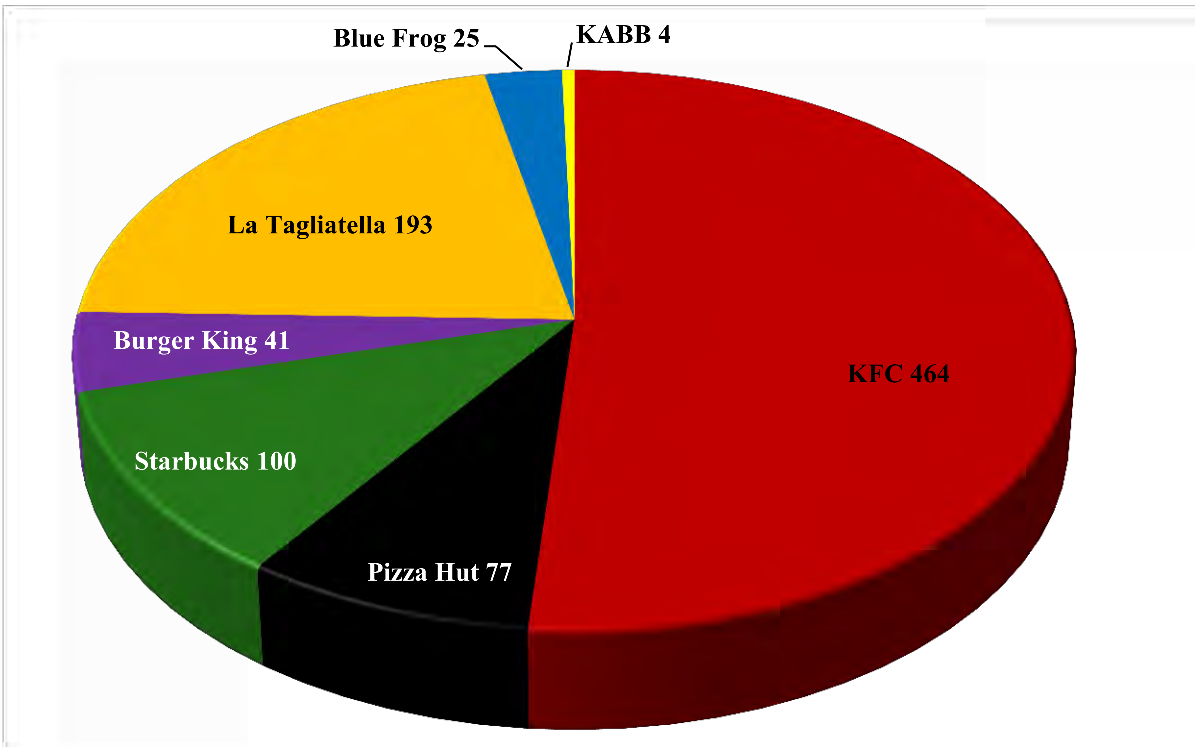


DIAGRAM 3: NUMBER OF AMREST RESTAURANTS IN 2013-2015, BALANCE AS AT 31 DECEMBER 2015



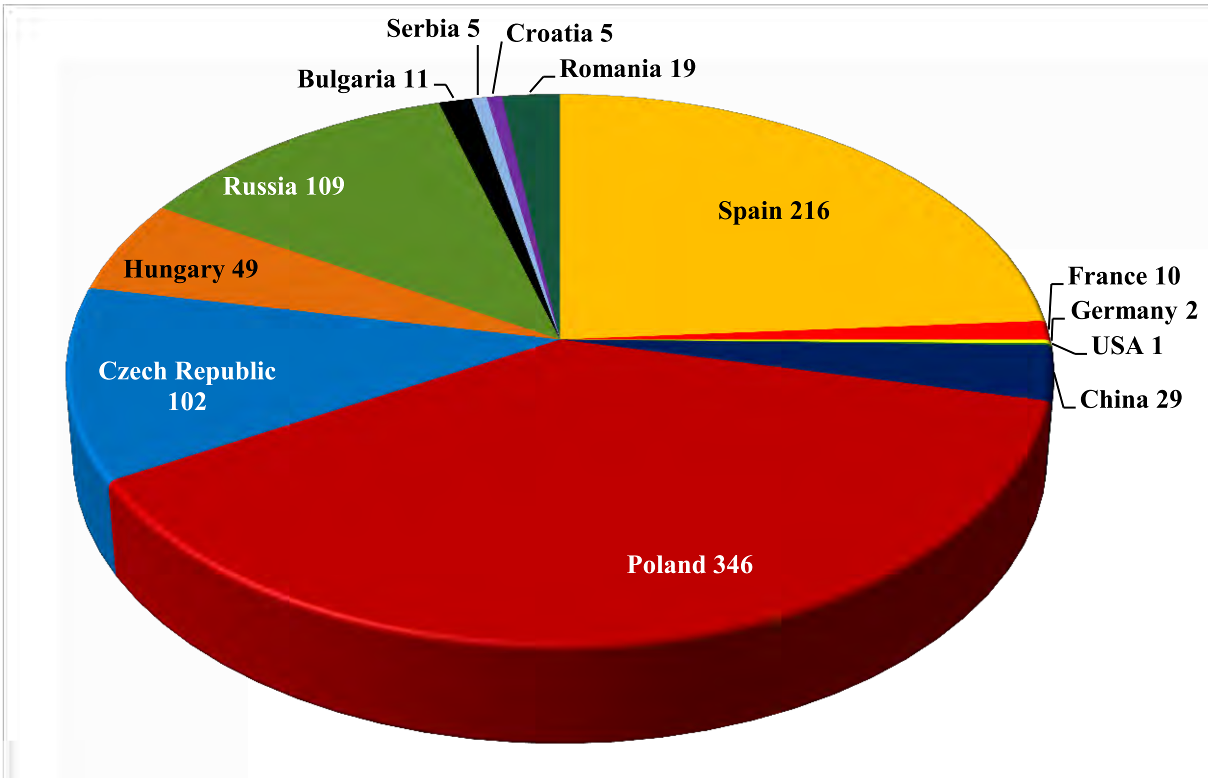
* Including restaurants operated by franchisees of La Tagliatella brand.

DIAGRAM 4: NUMBER OF AMREST RESTAURANTS BY BRAND, BALANCE AS AT 31 DECEMBER 2015



* Including restaurants operated by franchisees of La Tagliatella brand

DIAGRAM 5: NUMBER OF AMREST RESTAURANTS BY COUNTRY, BALANCE AS AT 31 DECEMBER 2015



* Including restaurants operated by franchisees of La Tagliatella brand

2. Description of the Company

2.1. Basic services provided by the Group

As at the date of publication of the report, AmRest Holdings SE ("AmRest") manages 7 restaurant brands in 13 countries of Europe, Asia and North America. Every day over 23.5 thousand AmRest employees deliver delicious taste and exceptional service at affordable prices, in accordance with our "Wszystko Jest Możliwe!" ("Everything is possible!") culture.

AmRest manages its restaurants in two restaurant sectors:

- Quick Service Restaurants — KFC, Burger King, Starbucks
- Casual Dining Restaurants — La Tagliatella, Pizza Hut, Blue Frog and KABB.

AmRest restaurants provide on-site catering services, take away services, drive-in services at special sales points ("Drive Thru"), and deliveries for orders placed online or by telephone. AmRest restaurant menus include brand dishes prepared from fresh products in accordance with original recipes and with KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB chain standards.

AmRest is a franchisee of Yum! Brands Inc. for the KFC and Pizza Hut brands. Burger King restaurants also operate on a franchise basis following an agreement concluded with Burger King Europe GmbH. Starbucks restaurants in Poland, Czech Republic and Hungary are opened by joint-venture companies AmRest Coffee (82% AmRest and 18% Starbucks), which have the rights and licenses to develop and manage Starbucks restaurants. Starbucks stores in Romania and Bulgaria, which were acquired from Marinopoulos Coffee SEE B.V. in June 2015 are operated by the Company on a franchise basis. The La Tagliatella is the own brand of AmRest which became part of the portfolio in April 2011. La Tagliatella restaurants are operated both by AmRest and by entities which operate restaurants on a franchise basis. The Blue Frog and KABB brands became the property of AmRest in December 2012 as a result of purchase of a majority stake in Blue Horizon Hospitality Group LTD.

2.2. Restaurants in the Quick Service Restaurants (QSR) segment

Established in 1952, KFC brand is the biggest, fastest growing and most popular chain of quick service restaurants serving chicken meals. There are almost 19 400 KFC restaurants in 115 countries in the world.

In 2015 KFC restaurants run by AmRest in Central Europe noted a significant increase of sales and profit compared to the previous year on each of the markets of operation. The increase of sales in KFC was the result of realization of a consistent marketing strategy related to improving the general restaurants' image and also to many innovations in the product segment. The strong position of the brand in the "value" segment has been maintained and the season products remarkably enriched the offer in the "premium" category. The offer of grilled products has also been diversified what evoked a very positive response from the restaurant guests.

In 2015 AmRest opened in total 26 KFC restaurants in Central Europe. Among new locations there are 11 restaurants of Drive Thru type some of which are located at highways. Over 20 restaurants underwent general renovation what improved their image and functionality to a large extent. Newly opened and renovated restaurants are characterized with a design which is deeply rooted in the values and the history of the brand. "Open kitchen" deserves special attention as thanks to it the restaurants' guests can see how the famous KFC chicken is prepared. In each restaurant there is also information about the local origin of the chicken and the name of the person who on this day plays the role of the chef. In larger and larger number of KFC restaurants in

Central Europe the point of ordering is separated from the point of reception what influences the improvement of quality and speed of service and makes the personal contact with guests easier.

Last year KFC brand in Poland significantly strengthened its share in the home delivery channel. Presently majority of large cities where the brand's restaurant are present, have the free delivery what influences the increase of the frequency of using this service and enlarging the group of KFC customers. Ordering is possible both on the phone and using a modern website. Guests who activate their account get texted on the status of their order. The offer of KFC home delivery gave the customers the opportunity to compose their own bucket – this is one of the most favorite offers in this channel of sales.

Within permanent improvement of efficiency and increasing the value for the customer KFC continues the works according to Lean Management philosophy. It has been translated not only into a visible improvement of the margin of the brand but also and most of all into the increase of the guests satisfaction. Cooperating with one of the world leader of service quality, KFC chain in Central Europe successively introduced the program aiming at ensuring perfect "experience" to the restaurant customers.

Last year was another one when KFC was found in the group of the best employers in a retail sector in Central Europe. It is so, among others, thanks to the initiative "able in AmRest" related to employing disabled people. The brand still supports the Foundation of Corporate Social Responsibility, supporting the children form North West Poland.

Russia is the second largest, after Poland, market where AmRest runs KFC restaurants. The results on this market were very good in 2015 despite the worsening general macroeconomic situation of the country. Due to a consistently realized strategy of the brand awareness, the income in comparable restaurants noted in 2015 two digits increase. Additionally 10 new restaurants were opened what resulted in about 30% increase of income in local currency. Together with the income dynamics the margin was improved what resulted in a significant improvement of the operational profit generated on this market.

It is worth noticing, however, that in the second half of the year the inflation pressure visible in the majority of cost categories was strengthened. Thanks to the active cooperation with suppliers in 2015 we managed to control the costs but it cannot be excluded that in 2016 the structure of the costs will undergo a slight worsening.

In 2016 it is planned to increase the pace of openings on the Russian market. The strategy of the Board is to perform selective openings in the locations of the highest qualities in the places of the exceptionally attractive conditions of rental due to the market situation concerning the competition of a weaker business model.

At the date of publication of this report, the Company operated 465 KFC restaurants - 206 in Poland, 71 in the Czech Republic, 101 in Russia, 37 in Spain, 35 in Hungary, 5 in Serbia, 5 in Bulgaria and 5 in Croatia.

The beginnings of the Burger King brand date back to 1954. Burger King ("Home of the Whopper") operates about 15 000 restaurants serving ca. 11 million customers daily in more than 80 countries worldwide. Over 90% of Burger King restaurants are managed by independent franchisees, many of which are family businesses that have been operating for decades.

In 2015 Burger King brand next time noted an increase of income from sales in relations to the previous year on Polish and Czech markets. It is a very good signal that this increase was caused both by the increase of the number of guests visiting the Burger King restaurants and also an increase of the height of the average guest check. Financial results which were the best in the history of the brand in this market deserve a special attention.

Last year a new restaurant at A1 highway (MOP Otłoczyn) was opened within AmRest group which in its third month of operation reached the highest level of monthly sales since AmRest became Burger King restaurant operator in Poland. Moreover in relation to the remodeling of the shopping mall, Burger King came back to CH Magnolia in Wrocław. Within the strategy of the Burger King restaurant design renovation of three points was run and was very positively assessed by the guests.

Positive results are the effect, among others, of the increased brand awareness on Polish market. Burger King is a more and more attractive brand for the customers of the restaurants belonging to QSR category. According to „Brand Observer" report, each year the number of persons who think that Burger King serves high quality burgers, better than the ones served by the competition, increases. New concepts serving burgers are a good signal for the development of this segment of the market and increasing its popularity.

Big marketing activity, the operations such as "outdoor campaigns" in the biggest cities of Poland and Czech contributed to the increase of brand awareness. Burger King brand bet on intensifying of commercials and signage in the closest vicinity of the restaurant.

Last year a new platform of „Add Ons" which gives the guests the opportunity of buying a set of add ons such as ice cream, coffee, snacks for 2.95 to the set was introduced. The platform gets more and more popular among the guests. In 2015 introduction of a new version of the „ Big King" flag burger which was very positively received by guests was a big event and attracted new customers to Burger King.

Burger King brand continues the "better burger" strategy the confirmation of which are the products from limited offers. Whopper Texas BBQ (variation of the bestseller "Bacon&Cheese Whopper") and also approved by real connoisseur „Steakhouse Angus XT" were the most popular in 2015.

King Deals platform is the most popular in the value segment as with the price of 4.95 it offers guests high quality products. The offer is widely communicated by marketing - with a support of TV, outdoor, indoor and digital campaigns.

The change of the Burger King brand communication way in social media is worth noticing as it aims at presenting "real food" and "real people and situations". New approach was liked by the guests the effect of which is the increase of their involvement and a permanent increase of people following the fan page. Presently the brand has almost 114 000 fans.

In 2016 Burger King will continue "Better Burger" strategy by maintaining high quality of products and introducing new innovative taste connections. The introduction of a mobile application which is planned for the first half of 2016 will be a breakthrough event.

At the date of publication of this report, AmRest operated 41 Burger King restaurants - 33 in Poland, 7 in the Czech Republic and 1 in Bulgaria.

Starbucks is the world leader in the coffee sector with more than 20 000 stores in over 60 countries. It offers a broad selection of coffees from different parts of the world, as well as teas, soft drinks and a wide range of fresh snacks and desserts. The store designs and their atmosphere refer to the coffee heritage and reflect the culture of the neighbourhood. AmRest Coffee (a joint venture between Starbucks Coffee International and AmRest Holdings) currently operates Starbucks stores in Poland, Czech Republic and Hungary.

Brand growth strategy assumes increasing the market share in a disciplined manner, by improving sales in existing restaurants and by opening new stores.

2015 was a very success year within the 3 core markets of Poland, Czech Republic and Hungary. Growth was noted in the high single digit range. This year also resulted in a significant change in the geographies by

purchasing the existing Starbucks business in Romania and Bulgaria. In the process AmRest has added a very profitable and perspective business in those countries.

On the beverage front Starbucks continues with its innovations (Caramel Jelly Frappuccino introduced in the summer). In Poland we have also rolled out our fresh food platform providing freshly made sandwiches, salads and yogurts. This is part of a revamp project for the food line. This project will continue in 2016 with a rollout to the other countries as well as development of new products within the sweet and savoury lines.

My Starbucks Rewards – the Loyalty program has continued to grow it's user base in Czech Republic and Poland. The introduction of the mobile application has increased the usage of the program also regaining lapsed users. The program benefits have seen an upgrade this year providing more benefits to the customers for their loyalty. Also targeted email actions have been used to increase the awareness of benefits as well as trigger commercial activities in the shops.

The brand plans to continue expanding its geographical presence within the operating countries increasing the amount of new openings to 25-30 in 2016.

The strategy of the brand is heavily based on building an unique experience in the store. The human connection, the passion for the job and for coffee is what differentiates the brand, people and experience in the store from the competition. The core strength lies in pursuing the commitment to the highest quality coffee transformed into the highest quality beverage delivered to every single customer served in Starbucks stores.

At the date of publication of this report AmRest operates 101 Starbucks cafes (40 in Poland, 25 in the Czech Republic, 12 in Hungary, 19 in Romania and 5 in Bulgaria).

2.3. Restaurants in the Casual Dining Restaurants (CDR) segment

With 179 restaurants La Tagliatella is the leading Brand in the Italian Casual Dining segment in Spain.

Since its first opening in 2003, the brand has been steadily growing through the opening of both equity and franchised restaurants. But 2015 has been an exceptional year, since La Tagliatella has beaten any previous record in number of openings: a total of 23 new restaurants have been built across all Spanish geography, expanding our reach to 4 new market areas.

The strength that the brand has developed during the last years has come to light in a context of a Spanish Economy which has grown by 3.2% (the greatest GDP increase of the Spanish economy since 2007), supported by the improvement in consumer confidence and employment ratios. In this favorable scenario, while the Casual Dining segment achieved a positive growth of +0.3% comparable sales in 2015, La Tagliatella outperformed the market by far, reaching a remarkable +5.4%.

La Tagliatella has continued to work in innovative products such as the Salmon Tartare, which has become a top seller within the Antipasti category, and new desserts such as our "Café Gustoso", which allows customers to finish their meal with a coffee along with a sample of 2 different desserts, for the same price as a regular dessert. This initiative, imported from the French market, has been very appreciated by the customers and it is expected to become more relevant during 2016 as its picture will be displayed in the cover of the new dessert menu cards.

The launch of the e-learning platform has been very relevant for our franchisees during 2015. This on-line training tool allows their staff to get an easy and convenient access to the different training modules, such as bar service, table service or prevention of occupational hazards.

Year 2015 has been also a step forward in social media and digital communication. The "Reto de la nueva carta" (The new menu challenge) and the "Fan Pizza 2015" campaigns were extremely successful. Fan Pizza initiative registered the highest participation after 3 years of consecutive success and brought 54.000 new fans to our Facebook community. Right now La Tagliatella has 338.000 fans and is the leading casual dining brand in number of twitter followers as well as in visits to its website. Continuing our digital development, 2016 will be the year of the deployment of our Customer Relationship Management (CRM) capabilities, with the roll-out across all the territory of a brand-specific loyalty program, designed to support and reinforce the Brand Core Values.

Year 2015 was successful also for La Tagliatella in Germany. Both restaurants (Cologne and Frankfurt) recorded double-digit increase in revenues.

As at the publication date the portfolio of la Tagliatella consisted of 194 restaurants - 181 in Spain, 10 in France, 2 in Germany and 1 in the United States

Pizza Hut is one of the biggest chains of casual dining restaurants. Inspired by Mediterranean food, it promotes the idea of sharing quality time with family and friends. It is also the leading casual dining brand in Poland. Strong positioning of Pizza Hut is maintained through "One Brand, Three Channels" strategy and strengthening the expert status in pizza category within all consumer occasions.

Year 2015 was another very successful period for Pizza Hut operation. Apart of the development of the brand in the "casual dining" segment it brought the bloom of the remaining sales channels - Pizza Hut Delivery and Pizza Hut Express.

Traditionally the year was opened by Pizza Festival which took place in the Pizza Hut restaurants for the sixth time. This long awaited offer gave the customers the opportunity to savor various tastes of pizza served on 4 kinds of dough for only 24,95 - in the "all you can eat" amount. The sixth edition of the Festival enjoyed a record popularity and attracted very many new guests to the restaurants. The offers were promoted by TV commercials and internet campaign. An additional promotional mechanism was applied in the campaign – when coming in the group of at least four persons and ordering the offer of Pizza Festival the beverages were served for free. This solution had a big influence of the average guest cheque.

Pizza with a big amount of stretching cheese is the most popular proposition of Pizza Hut. In March and April 2015 "Pizza Super Cheese" appeared in the offer for the first time – this is a pizza on a Pan dough which apart from the standard amount of cheese on the middle has also cheese baked in the rim and on its top. The materials in the restaurants and TV commercials stressed the main attribute using the slogan "Cheese is everywhere". This exceptional offer brought the brand increase sales and strengthened Pizza Hut position as an expert in the innovative forms of pizza.

Spring and summer as every year is a time of introducing „lighter propositions of dishes and refreshing beverages in Pizza Hut. In 2015 new propositions in the categories of pizza salads and lemonades appeared in the offer. All the propositions were prepared from fresh, season components. This offer attracted new guests, mainly women and made loyal customer visit the restaurants more often.

At the end of July "My Pizza Hut" loyalty program was introduced – it is an innovative tool which builds customers' involvement in the brand's operations and supports the frequency of their visits in restaurants in a long term perspective. The program from the very beginning enjoyed a great interest of guests who registering their next visits in Pizza Hut on their account get invitations to unique events such as "pre-premiere" dinners (degustation of new dishes from the menu) and attractive offers adjusted to individual needs. Already 70 thousand of customers joined the program enjoying its benefits and using invitations in the exceptional events and promotions.

September was an important month in Pizza Hut history as in all sales channels new pizza dough was introduced – thin Traditional dough. It is manually kneaded every day in each restaurant and surprises with a delicious taste and unusual form with irregular surface of the rims which is typical for long maturing dough. To satisfy the needs of all the guests, pizza on traditional dough was also introduced in the variation with the cheese in the rims.

In autumn a new menu – which is the expression of a new, global positioning of the brand "Bring more flavor to life" and in a mouthwatering way presents all portfolio produced by Pizza Hut - appeared in the restaurants with waiter service.

Two last months of 2015 were the time of an innovative „Crown" pizza the taste of which was enriched by delicious, colorful cheeses: gouda with green pesto and delicate cheddar. Heavenly taste and look of the product was stressed in the promotional materials in outdoor and internet campaigns and in restaurants.

Pizza Hut Express is a concept which enables the customers eating their favorite pizza on the way home, to work or to school. This completely new way of reaching the Guests matches ideally the trends on the market. The restaurants are not big, easily accessible in the shopping mall food courts, in the city centers and locations convenient for business lunch. The first restaurant was opened in Bielsko Biała in January and the next two were opened in Wrocław. Pizza is prepared from fresh ingredients immediately in the front of guests there. Every day the dough prepared in the restaurant, carefully selected toppings and care for standards make the delicious and exceptional taste of fresh pizza, apart from the speed of service, the main advantage of the concept. There are five most popular choices from Pizza Hut menu; margherita, pepperoni, Hawaian, farmer's and prosciutto e rucola, served on traditional dough. The customer can also compose their own pizza from the components of their choice. The pizza preparation time in Pizza Hut Express was shortened thanks to shortlisting of the menu and application of a special stove adjusted to fast baking. Unique technology together with product and operational discipline allow to promote the concept with the slogan: "We make a fresh pizza in 5 minutes!" . In the middle of the year the offer was enriched with the possibility of ordering additional cheese in rims what influences the attractiveness and exceptionality of the offer even more. The test phase showed a big potential of the concept, fast achieving breakeven point and a profitable return on the invested capital. The concept will be developed in next years.

In 2016 further dynamic development of the brand is planned within the "casual dining concept" as well as the "Express" format and home delivery channel.

At the date of publication of this report AmRest operated 77 Pizza Hut restaurants - 67 in Poland, 8 in Russia and 2 in Hungary.

Acquisition of the Blue Horizon Hospitality Group in 2012 enriched AmRest's CDR segment brand portfolio with two brands operating in the China market.

- Blue Frog Bar & Grill — restaurants serving classic American bar and grill cuisine along with Asian inspired favorites in a modern, inviting atmosphere.
- KABB Bistro Bar — premium segment restaurant, serving the favorites of "western cuisine" along with a wide selection of wine and drinks.

The third year of operations in China saw the continued expansion of the Blue Frog and Kabb brands along with greater penetration of the brands in key markets. In addition to opening four new Blue Frogs in our base market of Shanghai, we continued our push into second tier cities, opening second restaurants in Chengdu and Tianjin and our first Blue Frog restaurant in the port city of Dalian, bringing the total number of cities in which we operate Blue Frog to eight. In tier one cities, our focus on securing the best sites in mature trade zones, including sites on high streets and top tier local malls, such as the Skymall and Plaza 96 restaurants in Shanghai, resulted in continued strong ROI results in our most developed market. Kabb opened its first restaurant in a second tier city, Chengdu, bringing the total for Kabb to four restaurants. In all, the total number of restaurants in China has grown to 30 from a base of 11 in 2013.

Of particular note in 2015 was the maturing of the Blue Frog business in Beijing and the establishment of the Kabb brand beyond its original flagship location in Xintiandi. These two segments have steadily built on the existing customer base and have shown strong sales growth.

The year also had its challenges, with the slowing of the Chinese economy and significant fluctuations in the stock market influencing consumer sentiment and spending. Initiatives to drive sales started with the launch of new healthy drinks. Based on the success of this test menu, these drinks were integrated in the regular drink menu nationwide. With the support of a mixologist hired in 2015, a new Blue Frog cocktail menu saw positive results on both beverage sales and COS. On the food front, a new

Blue Frog menu with an updated look and feel was launched in October. This added seasonal favorites from 2014 to the regular menu while retiring slower moving items. Customer response to these changes was overwhelmingly positive with strong sales of new items. As in the previous years, both brands continued to attract customers through themed campaigns and saw strong responses to events such as Halloween, Singles Day and Christmas holidays.

In the second half of the year, we further expanded the category of home delivery by adding a local delivery provider to a number of existing restaurants, and in December successfully piloted the leading mobile payment apps, Wechat Pay and Alipay.

The pipeline for 2016 is the strongest for the brands to date with secured locations in the established markets of Shanghai, Nanjing and Beijing, and a flagship site signed in the new market of Hangzhou. Construction on our flagship site at the Shanghai Disney Resort is underway with a June 2106 opening. With well-known and proven brands and strong existing relationships with leading mall operators, the Blue Horizon team continues to secure premium, sought-after sites in first and second tier cities.

The China team continues to build on infrastructure to support robust growth without compromising brand quality. The hard work of new city entry is done and can now be leveraged. In 2015, the productivity of the Central Kitchen and back office continued to improve as a percentage of sales, and the Central Kitchen, distribution, and above-restaurant leadership and training costs are expected to continue to fall as a percentage of sales in 2016.

As at the publication date, AmRest owned 26 Blue Frog and 4 Kabb restaurants in China.

3. Structure of revenues

Revenues of AmRest Group increased by PLN 386m and amounted to PLN 3 339m in 2015. Dynamic growth of 13.1% resulted mainly from:

- strong positive sales trends in comparable restaurants (LFL) observed in all markets of Central Europe (CE) and continued expansion in the region (47 new locations opened in 2015). In June 2015 AmRest's acquired the chain of Starbucks coffee shops in Romania and Bulgaria (23 stores) which additionally strengthened top line growth of this division,
- growing LFL trends in La Tagliatella and KFC in Spain, which – supported by 29 new openings (including 15 franchised restaurants) – led to 13.3% growth of revenues of Spanish division,
- 26.6% increase in sales of New Markets on the back of further business development in China (9 openings in China and 2 openings in France),
- 2% decline in revenues of Russian division (PLN -8m vs 2014) due to weakening ruble. Sales in local currency grew by 30.1% as a result of growing number of restaurants (12 new openings) and positive double-digit LFL trends.

TABLE 1. AMREST GROUP'S SALES BY DIVISION

Divisions	2015		2014	
	PLN '000	share %	PLN '000	share %
Central and Eastern Europe (CE)	1 987 790	59.5%	1 727 723	58.5%
Russia	402 838	12.1%	410 858	13.9%
Spain	704 412	21.1%	621 559	21.1%
New Markets	243 700	7.3%	192 511	6.5%
Total	**3 338 740**	**100.0%**	**2 952 650**	**100.0%**

The seasonality of sales and inventories of AmRest Group is not significant which is typical for the whole restaurant industry. In the CE region restaurants achieve lower revenues in the first half of the year, which is the result of lower number of days of sales in February as well as relatively less frequent visits of customers in restaurants.

4. Supply chain

The market situation in the first half of 2015 was relatively stable. High level of harvest in 2014 was the reason for the price fall on the world cereal and oil plant markets which allowed to maintain low prices also at the beginning of 2015. In 2015 the harvest in Europe were lower due to draught but the increase of prices was prevented thanks to big stocks which in global scale helped to compensate weaker harvest.

The situation on the chicken market in Poland was advantageous especially in the second half of the year what was influenced mainly by low process of feed. Abolishing the limits in EU and Russian embargo influenced the fall of milk prices in the first half of the year what also influenced positively the prices of other dairy products. Starting September, however, the increasing tendency could be observed.

Meat market after a few percent increase of the raw materials in the first half of the year entered the increasing phase again at the end of the year, mainly because of the situation on the currency market. EUR/USD exchange rate decreased attractiveness of South American offers and the fall of PLN value drove export and price increase on the local market.

Following the trends in global scale and continuing of building long term relations and cooperation with suppliers allowed AmRest to realize purchase strategy without any obstacles. The main tasks of the past year included:

- Developing the cooperation with a new distributor in Poland,
- Launch of environmentally friendly packaging, based largely on recyclable material, while maintaining the highest quality standards and applicable regulations,
- Continued implementation of new technologies to successive providers in order to improve efficiency and lower production costs.

The most important assumptions of AmRest purchase strategy for 2015:

- Consolidation of "Quality Assurance & Food Safety" procedures on a global scale,
- Continuation of the distribution strategy with regard to new markets, in order to optimize costs,
- Continued operation and development of the Innovation Center.

The list of the largest suppliers of AmRest in 2015:

- Quick Service Logistics Polska Sp. z o.o. Sp. K. — distributor in Poland,
- Conway S.A. – distributor in Spain,
- Roldrob S.A. – supplier of chicken products in Poland,
- Drobimex Sp. z o.o. – supplier of chicken products in Poland,
- LDS Disztribútor Szolgáltató Kft. – distributor in Hungary,
- OOO RBD Distribution – distributor in Russia,
- Quick Service Logistics Czech s.r.o. — distributor in the Czech Republic,
- Przedsiębiorstwo Drobiarskie Drobex Sp. z o.o. – supplier of chicken products in Poland,
- Vodnanská drůbež, a.s.– supplier of chicken products in the Czech Republic;
- PPHU Konspol- Bis Sp. z o.o. – supplier of chicken products in Poland.

5. Employment in AmRest

The table below shows employment in the Group in the years 2013–2015.

*TABLE 2. NUMBER OF EMPLOYEES IN AMREST (BALANCE AS AT 31 DECEMBER 2015, 2014, 2013)**

Year	**2015**	**2014**	**2013**
Employment in restaurants	22 679	22 198	18 759
Employment in administration	944	841	771
Total	**23 623**	**23 039**	**19 530**

* The data includes employees employed on short-term service contracts

6. Changes in the manner of management

6.1. Changes in the Parent Company's Management Board

On March 13th, 2015 AmRest informed, that due to the expiry in this calendar year of Mr. Wojciech Mroczyński three-year term as AmRest's Management Board Member, the Supervisory Board of AmRest adopted on March 12th, 2015 a resolution on reappointing Mr. Mroczyński to hold the position of the Company's Management Board Member. The resolution became effective upon its adoption.

Mr. Wojciech Mroczyński has a degree in Economics. He graduated from the University of Gdansk, holding a degree in Foreign Trade. Mr. Mroczyński holds an International MBA, granted by Central Connecticut State University. He is also a graduate of Harvard Business School in Boston.

Mr. Mroczyński has an extensive business experience. In 1998-2005 he held management positions at Mondi Packaging Paper Worldwide SA, a company listed on the WSE. In 2003-2005 he was Chief Financial Officer at Mondi.

Mr. Mroczyński has been working for AmRest since 2005. In 2005-2011 he held the position of Chief Financial Officer, Chief Operating Officer and Chief People Officer of AmRest. In 2012 Mr. Mroczyński has taken the position of Chief Strategy Officer.

On December 9th, 2015 AmRest informed, that on December 8th, 2015 the Supervisory Board of AmRest adopted a resolutions on appointing Ms. Oksana Staniszewska and Mr. Olgierd Danielewicz to hold the position of AmRest's Management Board Members. The resolutions became effective upon its adoption.

Ms. Oksana Staniszewska is a graduate of two universities: Kyiv National Linguistics University, faculty of Germanic languages and Ternopol Academy of Economics, faculty of bookkeeping and auditing. Her education was continued during post graduate studies in neurolinguistics, Open Central European University in Budapest, Teacher Fellowship Program at University College London and HR Director Program at Cornell University in New York.

Ms. Staniszewska started her career at AmRest in 2006 as Assistant Manager for multibrand restaurant, PH and KFC. In next years she played various roles in the organization: General Manager of Pizza Hut restaurant, Training Manger, Education Manager, Training and Career Development Director. In August 2012 Ms. Staniszewska took up a role of HR Director in the Russian market. Soon afterward she became Chief Administrative Officer and Chief Operational Officer (also in Russia division). Currently Ms. Staniszewska plays the role of Chief People Officer, leveraging people potential and developing leadership capability of AmRest.

Ms. Staniszewska is MBTI (Myers Briggs Type Indicator) practitioner and ICC (International Coaching Community) coach. Her track record of HR consultancy and executive coaching expands to: Google, Motorola, GE Healthcare, Pegasystem, Invensys, Avon, Dealogic, Societe Generale Group.

Mr. Olgierd Danielewicz is a graduate of Adam Mickiewicz University in Poznan (Master degree in Management and Marketing) and Academy of Economics in Wroclaw (postgraduated studies and MBA).

He joined AmRest (ARS) as a student in 1998, taking up the function of Assistant Manager of soon to be opened KFC restaurant. Afterward he held the position of General Manager, Area Trainer (responsible for training in both KFC and Pizza Hut in Western Poland), Area Coach of KFC South 1 region and District Coach (taking over responsibility for few regions of KFC operation).

In 2007 Mr. Danielewicz was given a challenge of relaunch of Burger King in Poland. The opening of Burger King Złote Tarasy has been recorded as one of the best Burger King openings ever. Next step in his career was the coming back to his home brand and taking over the Brand President position for KFC, initially in Central

Europe division, currently in all markets of AmRest operation. He is responsible for development, monitoring of financial performance and image of the KFC brand.

6.2. Changes in the Parent Company's Supervisory Board

On May 19th, 2015 the Annual General Meeting of Shareholders resolved to:

- revoke Mr. Joseph P. Landy from the Supervisory Board of the Company and appoint Mr. Landy as a member of the Company's Supervisory Board for a new 5-year term (Resolution No. 8),
- revoke Mr. Raimondo Eggink from the Supervisory Board of the Company and appoint Mr. Eggink as a member of the Company's Supervisory Board for a new 5-year term (Resolution No. 9).

The resolutions came into force on the day of their adoption.

On August 12th, 2015 the Extraordinary General Meeting of AmRest resolved to

- determine the number of the Supervisory Board members to be from 5 to 8 persons,
- revoke Mr. Per Steen Breimyr and Mr. Peter A. Bassi from Supervisory Board of the Company,
- appoint Mrs. Zofia Dzik and Mr. Krzysztof A. Rozen as a members of the Company's Supervisory Board.

The resolutions came into force on the day of their adoption.

On August 13th, 2015 the Management Board of AmRest informed, that it was notified on August 12th, 2015 about the resignation of Mr. Joseph P. Landy and Mr. Amr Kronfol from the Supervisory Board of AmRest, dated August 12th, 2015. The resignations of Mr. Landy and Mr. Kronfol were to be conditional upon and with effect as of the moment when Warburg Pincus group ceases to hold directly or indirectly any shares in AmRest.

On August 20th, 2015 the Management Board of AmRest informed, that due to WP Holdings VII B.V.'s disposal of all shares in AmRest, that occurred on August 18th, 2015, the resignation of Mr. Joseph P. Landy and Mr. Amr Kronfol from the Supervisory Board of AmRest became effective.

On September 10th, 2015 the Management Board of AmRest informed, that it received on the same day from Mr. Henry McGovern the letter of resignation from the function of the Chairman of AmRest Supervisory Board, effective 10th September 2015. Mr. McGovern remained the member of the Supervisory Board of AmRest. The reason of resignation, after the previous changes in shareholding structure of AmRest and composition of Supervisory Board, was to allow the members of the Supervisory Board to elect the Chairman of their choice.

On September 11th, 2015 the Management Board of AmRest informed, that it received on the same day from Mr. Bradley D. Blum the letter of resignation from the function of the member of the Supervisory Board of AmRest, effective 21st September 2015, i.e. the date of the upcoming General Meeting of the Company.

On September 21th, 2015 the Extraordinary General Meeting of AmRest Shareholders appointed the following persons as the members of Company's Supervisory Board:

- Henry Joseph McGovern,
- Zofia Dzik,
- Łukasz Rozdeiczer-Kryszkowski (effective from October 20th, 2015),
- Krzysztof A. Rozen,
- Raimondo Eggink,
- Steven Kent Winegar Clark (effective from October 20th, 2015),
- José Parés Gutiérrez,
- Luis Miguel Álvarez Pérez.

Information on appointed members of the Supervisory Board:

Henry Joseph McGovern

Mr. Henry McGovern is a 49 years old citizen of the United States. In the years 2008-2015, he held the role of Chairman of AmRest Holdings SE Supervisory Board. He was the co-founder of AmRest in 1993 and served as the CEO from 1995 to 2008 (initially of American Retail System (ARS) and from 1999 of AmRest). In the years 1993-1995, Mr. McGovern was a member of the Supervisory Board of ARS. In the previous years, he was the CEO of Metropolian Properties International (MPI) - real estate company specializing in commercial property. Mr. McGovern currently serves as Vice President of MPI and the President of International Restaurant Investment (IRI).

Mr. McGovern studied Biology and Philosophy at Georgetown University and attended the London School of Economics. He is an active member of Young Presidents' Organization.

Raimondo Eggink

Since 2002 Mr. Raimondo Eggink has been acting as an independent consultant and trainer for companies operating in the financial market. At the same time he has been serving on the supervisory boards of the following public and private companies: PERŁA – Browary Lubelskie S.A. (2004-2005 and since 2008), Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. (since 2009), AmRest Holding SE (since 2010), Lubelski Węgiel „Bogdanka" S.A. (since 2012), Górnośląskie Przedsiębiorstwo Wodociągów S.A. (since 2015), Suwary S.A. (since 2015), PKP Cargo S.A. (since 2015) and Prime Car Management S.A. (since 2015).

In the past, Mr. Eggink was a member of supervisory boards of the following companies: Stomil-Olsztyn S.A. (2002-2003), Giełda Papierów Wartościowych w Warszawie S.A. (2002-2008), Wilbo S.A. (2003-2005), Mostostal Płock S.A. (2003-2006), Swarzędz Meble S.A. (2004-2005), PKN ORLEN S.A. (2004-2008), KOFOLA S.A. (2004-2012, former HOOP S.A.), Zachodni Fundusz Inwestycyjny NFI S.A. (2006), Firma Oponiarska Dębica S.A. (2008-2012) and Netia S.A. (2006-2014). Previously, he was a member of the management board, Chief Investment Officer and General Manager of the Polish division of ABN AMRO Asset Management, which managed the portfolios of institutional and high net worth individual investors. Mr. Eggink began his career in 1995 at Warsaw branch of ING Bank, where he contributed to the establishment of the first asset management company on the Polish market. In 1995-1997, he served as Deputy Chairman of Polish Association of Brokers and Investment Advisers and in the years 2004-2013 as a member of Management Board of the CFA Society of Poland. He is the author of numerous articles on the development of the Polish capital market and in particular the protection of minority shareholders.

Mr. Eggink holds a PhD degree in theoretical mathematics from the Jagiellonian University in Cracow. He obtained a Polish license for investment advisor in 1995 and a CFA (Chartered Financial Analyst) charter in 2000.

Zofia Dzik

Ms. Zofia Dzik is a graduate of the Cracow University of Economics, University of Illinois in Chicago, University of Social Sciences and Humanities in Warsaw and Executive Programs in INSEAD Business School. She is also MBA of Manchester Business School and a certified member of the Association for Project Management (APMP), experienced mentor and a certified member of John Maxwell leadership development team.

In 1995–2003 worked as a consultant in Andersen Business Consulting as the Head of the Insurance Division. From 2003 Ms. Dzik is engaged in the Intouch Insurance Group (the RSA Group), where in 2004–2007 held the position of the President of the Board of Directors of TU LINK4 S.A – the first direct insurance company in the CEE countries, in 2007–2009 held the position of a Member of the Board of Directors of Intouch Insurance B.V. in the Netherlands and the CEO for Central Eastern Europe of the Intouch Insurance Group. She was responsible for development of new markets. She was the Chairman of the Supervisory Boards of the following companies: TU Link4 S.A. and Direct Insurance Shared Services Center in Poland, Intouch Strahovanie in Russia (startup) and Direct Pojistovna in the Czech Republic (startup), as well as the Vice-Chairman of the Supervisory Board of TU na Życie Link4 Life S.A.

In 2006–2008 Ms. Dzik was a Member of the Board of Directors of the Polish Insurance Association and in 2007–2010 a Member of the Supervisory Board of the Insurance Guarantee Fund. In 2011– 2013 she was a member of the Supervisory Boards of two companies listed on the Warsaw Stock Exchange: KOPEX S.A., internationally recognised mining equipment producer, and Polish Energy Partners S.A., specializing in construction and operation of wind mills and other renewable energy sources.

At present Ms. Dzik holds the position of the CEO of Fundacja Humanites developing leadership programs and supporting development of the social capital in Poland. She is also a professional Member of the Supervisory Boards of the following companies: TU Link4 SA – direct insurance company (part of the PZU Group), ERBUD SA – one of the leading listed construction companies in Poland, Foundation for Strategic Competencies Development and PKO BP S.A. – the largest bank in Central and Eastern Europe where she also acts as the Vice President of the Audit Committee of the Bank. Due to business relations and leadership development programs run for executive directors she has an extensive network in many sectors of the Polish market.

Łukasz Rozdeiczer-Kryszkowski

Mr. Łukasz Rozdeiczer-Kryszkowski is the founder and Chairman of BATNA Group Sp. z o.o., as well as the Country Manager (for Poland) of Chartered Institute of Procurement and Supply. He is an experienced lawyer (he practiced in Poland, the United States and United Kingdom), mediator and arbitrator. He specializes in complex transactions, arbitral disputes and corporate governance.

Mr. Rozdeiczer is the Adjunct Professor of Law at the Georgetown University (Law Center) in Washington DC and a lecturer in the School of International Arbitration, Queen Mary College, University of London, where he teaches negotiation and mediation. For several years he worked at Harvard Law School (Program on Negotiation), first as Senior Fellow of Law and Negotiation and then as Research Associate. Mr. Rozdeiczer has also vast experience in conflict and crisis management. In the years 2003-2004 he was a Board Member of the Harvard Mediation Program. Previously Mr. Rozdeiczer worked at Clifford Chance, the World Bank/International Finance Corporation and CMS Cameron McKenna.

Mr. Rozdeiczer currently serves as Member of the Supervisory Board of Jastrzębska Spółka Węglowa S.A. and Krakowiaków Nieruchomości Sp. o.o. In the past he was the Chairman of the Supervisory Board at Libella Sp. z o.o.

Mr. Rozdeiczer is a graduate from law studies at Warsaw University and Harvard University, as well as from specialized studies at Cambridge University and London University (degrees in International Commercial Arbitration and Corporations, European Law).

Krzysztof A. Rozen

Mr. Krzysztof A. Rozen holds the degree of Master of Economic Science from Warsaw School of Economics, Foreign Trade Faculty (1986, Individual Studies Program) and Master of Business Administration with Honors from Rotman School of Management, University of Toronto (1993). He obtained in Canada a license of broker of securities in 1990 and a license of broker of derivatives in 1991. Additional he attended following courses: Canadian Securities Course (Honors), Canadian Options Course, Role of Supervisory Board and cooperation with Management Board, Effective Time Management, Leadership Coaching, Intellectual Work and Energy Management, Effective Motivation.

Mr. Rozen currently serves as the member of the Supervisory Board and Chairman of the Audit Committee at Wirtualna Polska Holding S.A. and member of the Supervisory Board at Plus Bank S.A.

In the years 1998-2014 Mr. Rozen worked for KPMG, where he started and led Corporate Finance Department and a Team of Energy and Natural Resources within KPMG Poland. Mr. Rozen ran also a Team of Mergers and Acquisitions for CEE Markets (16 countries) and was one of eight members of European Board of Corporate Finance. Corporate Finance Department consisted of 40 team members and provided advisory services in mergers and acquisitions, debt financing and valuations. Mr. Rozen also coordinated interdisciplinary team of Energy and Natural Resources, being responsible for relations with the clients (KGHM, JSW, PSE, PGE, Tauron, Enea, ZE PAK, Gaz System). Prior KGHM, Mr. Rozen worked for Citibank in Warsaw, International Finance Corporation in Washington and Toronto Dominion Bank in Toronto. In Citibank he started the first in Poland team of corporate loans syndication. In ICF was responsible for privatization of cement sector in Poland

(Cementownie Odra, Górażdże, Strzelce, Ożarów, Warta). In Toronto Dominion Bank Mr. Rozen worked as a securities broker.

Mr. Rozen has a vast experience in financial analyses, assessment of investment projects as well as drafting and verification of development strategies (with focus on financing, project management and leading interdisciplinary teams of M&A, consolidation and restructuring). Mr. Rozen is familiar with the standards of corporate governance as well as best practices for Supervisory Boards.

He act socially as the Chairman of Development Committee in the Museum of the History of Polish Jews, Member of Foreign Trade Corporation in Warsaw School of Economics, Member of American and Canadian Chamber of Commerce. Mr. Rozen is also a frequent participant and speaker during major economic congresses in Poland: Krynica, Sopot, Katowice, author of feature articles in economic magazines and commentator in radio TOK FM.

Steven Kent Winegar Clark

Mr. Steve Winegar began his career with Arthur Andersen & Co. in 1970 and was with them for seven years; first in the Houston, Texas office and then Madrid, Spain. In 1977 he joined MSD Pharmaceuticals as CFO of its subsidiary in Colombia and in 1979 the same position in Italy. In 1980 he was named managing director of MSD´s subsidiary in Greece/Turkey and in 1984, Spain. In 1985 he moved to Bristol-Myers Spain as managing director. He entered the restaurant sector in 1987 as CEO of Foster´s Hollywood Restaurants and co-founded Grupo Zena de Restauración in 1993. After the sale of the majority control to CVC Capital Partners in 2001 he founded Restauravia Grupo de Restauración in 2003 with Corpfin Capital entering into the capital structure in 2006. AmRest acquired a majority control of the company in 2011 and the balance in 2013. He continued to serve as its CEO until October 2014.

Mr. Winegar is a Certified Public Accountant (CPA), a past President of the American Chamber of Commerce in Spain, a trustee of the American School of Madrid (for 25 years) and a former board member of Telepizza SAU. Currently is a Vice-Chairman of Sabertia Capital Partners..

Luis Miguel Álvarez Pérez

Mr. Luis Miguel Álvarez Pérez is a Board Member, Audit Committee Member and Investment Committee Member of Fianccess, S.A.P.I. (since 2013). He is also the Founder, Chairman of the Board and CEO of Compitalia, S.A. de C.V., a family investment company business which primarily invests directly in target companies through equity holdings and real estate investments, primarily in sectors such as: clean energy, biofuels, oils and derivatives, quick service restaurants, real estate projects and financial funds.

For over 25 years he occupied different positions on several Grupo Modelo´s subsidiaries and headquarters (including the Vertical Companies Director of Grupo Modelo, S.A.B. de C.V., President & General Manager of Gmodelo Agriculture, LLC., Idaho Falls, Idaho, Vice President & General Manager of Gmodelo Agriculture, Inc.). He has also spent 8 years of his career in Grupo Modelo in Idaho Falls, ID, USA as the President and General Manager of a new malting plant facility.

Mr. Álvarez Pérez continues to be actively involved as a board member of different companies and NGO´s. Apart from various positions in Finaccess, he is currently a Board Member of BioFin Services, S.A. de C.V. (SOFOM ENR), Biofields, S.A., Algenol, LLC, Christel House Mexico, A.C., Sueños y Conceptos Inmobiliarios, S.A. de C.V., Grupo Aradam, SAPI and the Chairman of the Board of Tenedora Santa Hortensia, SAPI. and Fornix, S.A. de C.V. His former board positions include: Alternate Board Member and Executive Committee Member of Grupo Modelo, S.A.B. de C.V., Board Member and Executive Committe Member of InteGrow Malt, LLC., as well as Board Member of Impulsora Agrícola, S.A. and International CO2 Extraction, LLC.

Mr. Álvarez Pérez graduated from Universidad Iberoamericana (Industrial Engineering) and completed the International Management Program at Ft. Lauderdale, Flo. (IPADE), PADI – International Top Management Program (ITAM, Ashridge, Kellog, IMD, Standford) and the Building Skills for Success program at Wharton.

José Parés Gutiérrez

Mr. José Parés Gutiérrez is a Senior Executive with extensive international experience and a proven track record in marketing, sales, operations finance and management.

Since 2013 he is the Chief Executive Officer of Finaccess Capital (Mexico), responsible for managing several hundreds of million dollars portfolio. He is also the Director of the Board of Crown Imports, Chicago, Il, the Vice Chairman of the Board of MMI, Toronto, Canada, Director of the Board of DIFA, Mexico and former member of the Beer Chamber of Mexico.

Previously, Mr. Parés Gutiérrez worked for 19 years in Grupo Modelo (Mexico), in various positions. During last 5 years of employment, including financial crisis years, he contributed as the Vice President of Marketing and Sales International to growth of Grupo Modelo's revenue from USD 1 billion to USD 3 billion.

Mr. Parés Gutiérrez graduated from Universidad Panamericana, Mexico (Business and Finance) and completed his MBA at ITAM, Mexico as well as the Business D-1 Program at IPADE, Mexico and Executive Programme at Wharton, San Francisco.

On September 30th, 2015 the Management Board of AmRest announced that during the Supervisory Board meeting held on September 29th, 2015, the Supervisory Board resolved to appoint Mr. José Parés Gutiérrez as the Chairman of the Supervisory Board (Resolution 1/09/2015). The resolution came into force on the date of its adoption.

6.3. Composition of the Management and the Supervisory Boards

Management Board

In 2015, the Management Board of AmRest comprised:

- Wojciech Mroczyński,
- Mark Chandler,
- Drew O'Malley,
- Jacek Trybuchowski,
- Oksana Staniszewska (starting from December 8th, 2015),
- Olgierd Danielewicz (starting from December 8th, 2015).

Supervisory Board

In 2015, the Supervisory Board of AmRest comprised:

- Henry McGovern (Chairman of the Supervisory Board until September 10th, 2015),
- Raimondo Eggink,
- Per Steen Breimyr (until August 12th, 2015),
- Peter A. Bassi (until August 12th, 2015),
- Joseph P. Landy (until August 18th, 2015),
- Amr Kronfol (until August 18th, 2015),
- Bradley D. Blum (until September 21st, 2015),
- Zofia Dzik (starting from August 12th, 2015),
- Krzysztof A. Rozen (starting from August 12th, 2015),
- José Parés Gutiérrez (starting from September 21st, 2015; from September 29th, 2015 Chairman of the Supervisory Board),
- Luis Miguel Álvarez Pérez (starting from September 21st, 2015),
- Łukasz Rozdeiczer-Kryszkowski (starting from October 20th, 2015),
- Steven Kent Winegar Clark (starting from October 20th, 2015).

As at the date of publication of this report, the above lists reflect the current composition of the Company's Supervisory Board and Management Board.

6.4. Functional description of the management and supervisory bodies

The Management Board shall manage the Company's affairs and represent it. Each member of the Management Board shall be authorized to represent the Company on his/her own.

The Supervisory Board oversees the affairs of the Company conducted by the Management Board.

The obligations of the Supervisory Board shall comprise inter alia:

- assessment of the report of the Management Board on the Company's operation (Directors' Report) and the financial statements for a given financial year as to their compliance with the books of account and documents as well as the facts;
- assessment of the motions of the Management Board concerning distribution of profit or coverage of losses;
- submitting to the General Shareholders' Meeting of an annual written report on the results of the assessments listed above;
- choosing of a statutory auditor in order to audit the financial statements;
- approval of the annual and long term business plans of the Company.

There are the following Supervisory Board committees in the Company: the Audit Committee and the Remuneration Committee.

7. Financial and asset position of the Group

7.1. Assessment of the Group's results and the structure of its balance sheet

TABLE 3. KEY FINANCIAL CONSOLIDATED DATA OF AMREST (2014–2015)

PLN '000, unless stated otherwise	**2014**	**2013**
Sales revenue	3 338 740	2 952 651
Operating profit before depreciation and amortization (EBITDA)	436 472	356 374
Operating margin before depreciation and amortization (EBITDA margin)	*13.1%*	*12.1%*
Adjusted operating profit before depreciation and amortization (adjusted EBITDA)*	466 895	381 981
*Adjusted operating margin before depreciation and amortization (adjusted EBITDA margin)**	*14.0%*	*12.9%*
Operating profit (EBIT)	195 743	109 895
Operating margin (EBIT margin)	*5.9%*	*3.7%*
Net profit (attributable to AmRest shareholders)	160 036	51 667
Net margin	*4.8%*	*1.7%*
Equity	1 104 074	975 642
Return on equity (ROE)	*14.5%*	*5.3%*
Total assets	2 849 124	2 621 843
Return on assets (ROA)	*5.6%*	*2.0%*

* Amounts net of costs of new openings (start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction), corrections in indirect taxes and the effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

Definitions:

Operating margin before depreciation and amortization – operating profit before amortization and depreciation (EBITDA) to sales;

Operating margin – operating profit to sales;

Net margin – net profit to sales;

Return on equity (ROE) – net profit to average equity;

Return on assets (ROA) – net profit to average assets.

TABLE 4. LIQUIDITY ANALYSIS (IN THE YEARS 2014-2015)

PLN '000, unless stated otherwise	2015	2014
Current assets	523 772	401 073
Inventory	64 346	51 638
Short-term liabilities	565 433	353 195
Current ratio	*0.93*	*1.14*
Quick ratio	*0.81*	*0.99*
Cash and cash equivalents	317 871	257 171
Cash ratio	*0.56*	*0.73*
Inventory turnover (in days)	*6.20*	*5.74*
Trade and other receivables	92 090	66 345
Trade receivables turnover (in days)	*7.38*	*8.47*
Operating ratio (cycle) (in days)	*13.58*	*14.21*
Trade and other short-term payables	461 774	344 873
Trade payables turnover (in days)	*39.64*	*36.33*
Cash conversion ratio (in days)	*-26.06*	*-22.12*

Definitions:

Current ratio – current assets to current liabilities;

Quick ratio – current assets net of inventories to current liabilities;

Cash ratio – cash and cash equivalents to current liabilities at the end of the period;

Inventories turnover ratio (in days) – average inventories to sales multiplied by the number of days in the period;

Trade and other receivables turnover ratio (in days) – average trade receivables to sales multiplied by the number of days in the period;

Operating ratio (cycle) (in days) – total of inventories turnover and receivables turnover;

Trade and other payables turnover ratio (in days) – ratio of average trade payables to sales multiplied by the number of days in the period;

Cash conversion ratio – difference between the operating ratio (cycle) and the trade payables turnover ratio.

TABLE 5. DEBT ANALYSIS (IN THE YEARS 2014–2015)

PLN '000, unless stated otherwise	2015	2014
Non-current assets	2 325 352	2 220 770
Liabilities	1 745 050	1 646 201
Long-term liabilities	1 179 617	1 293 006
Debt	1 125 364	1 116 384
Share of inventories in current assets (%)	*12.3%*	*12.9%*
Share of trade receivables in current assets (%)	*17.6%*	*16.5%*
Share of cash and cash equivalents in current assets (%)	*60.7%*	*64.1%*
Equity to non-current assets ratio	0.47	0.44
Gearing ratio	0.61	0.63
Long-term liabilities to equity ratio	1.07	1.33
Liabilities to equity ratio	1.58	1.69
Debt/equity	1.02	1.14

Definitions:

Share of inventories, trade receivables, cash and cash equivalents in current assets – ratio of, respectively, inventories, trade receivables and cash and cash equivalents to current assets;

Equity to non-current assets ratio – equity to non-current assets;

Gearing – liabilities and provisions as at the end of a given period to the balance sheet total;

Long-term liabilities to equity – long-term liabilities as at the end of a given period to the value of equity;

Liabilities to equity – liabilities and provisions as at the end of a given period to the value of equity;

Debt – total long-term and short-term loans and borrowings.

Consolidated sales of AmRest Group grew by 13.1% in 2015 compared to the prior year (from PLN 2 953m to PLN 3 339m).

Strong top line growth was largely driven by dynamic pace of new openings as well as maintained positive LFL trends.

Upward sales trends in comparable restaurants were observed in most of brands and markets of AmRest's operation in 2015. The largest portion of growth came from core markets of AmRest – CE and Spain, where stable LFL trends in each of the brands were maintained (in particular brands double-digit growth was achieved).

In Russia, despite unfavorable economic and political environment, KFC business witnessed continuously growing demand from the customers, resulting in more frequent visits in restaurants and double-digit LFL trends (in RUB). In New Markets the growth of comparable sales was weaker than year ago due to softened LFL trends in Blue Frog restaurants.

*TABLE 6. KEY FINANCIALS OF AMREST GROUP BY DIVISION (Q4 2014 AND Q4 2015)**

PLN '000	Q4 2015			Q4 2014		
		Share	*Margin*		*Share*	*Margin*
Sales	**917 874**			**799 592**		
Poland	*358 583*	*39.1%*		*318 682*	*39.9%*	
Czech Republic	*120 255*	*13.1%*		*99 989*	*12.5%*	
Other CE	*79 416*	*8.7%*		*52 078*	*6.5%*	
Total CE	558 254	60.8%		470 749	58.9%	
Russia	101 099	11.0%		103 189	12.9%	
Spain	197 390	21.5%		170 019	21.3%	
New Markets	61 131	6.7%		55 635	7.0%	
EBITDA	**115 351**		12.6%	**100 865**		12.6%
Poland	*50 299*		*14.0%*	*40 965*		*12.9%*
Czech Republic	*22 423*		*18.6%*	*15 411*		*15.4%*
Other CE	*13 090*		*16.5%*	*5 822*		*11.2%*
Total CE	85 812		15.4%	62 198		13.2%
Russia	6 517		6.4%	9 361		9.1%
Spain	40 646		20.6%	38 351		22.6%
New Markets	-1 818		-	-2 844		-
Unallocated	-15 806		-	-6 201		-
Adjusted EBITDA**	**121 122**		13.2%	**109 722**		13.7%
Poland	*44 506*		*12.4%*	*43 441*		*13.6%*
Czech Republic	*22 798*		*19.0%*	*16 040*		*16.0%*
Other CE	*13 703*		*17.3%*	*6 297*		*12.1%*
Total CE	81 007		14.5%	65 778		14.0%
Russia	11 317		11.2%	12 562		12.2%
Spain	42 022		21.3%	41 164		24.2%
New Markets	-1 363		-	-3 581		-
Unallocated	-11 861		-	-6 201		-
EBIT	**38 896**		4.2%	**9 056**		1.1%
Poland	*24 782*		*6.9%*	*13 673*		*4.3%*
Czech Republic	*15 726*		*13.1%*	*8 954*		*9.0%*
Other CE	*5 065*		6.4%	*-1 316*		-
Total CE	45 573		8.2%	21 310		4.5%
Russia	-708		-	89		0.1%
Spain	26 506		13.4%	26 143		15.4%
New Markets	-16 621		-	-32 188		-
Unallocated	-15 854		-	-6 298		-

* Data have not been audited

** EBITDA adjusted by costs of new openings (start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction), corrections in indirect taxes and the effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

TABLE 7. KEY FINANCIALS OF AMREST GROUP BY DIVISION (2014 – 2015)

PLN '000	2015			2014		
		Share	*Margin*		*Share*	*Margin*
Sales	**3 338 740**			**2 952 651**		
Poland	*1 331 156*	*39.9%*		*1 193 706*	*40.4%*	
Czech Republic	*415 848*	*12.5%*		*358 919*	*12.2%*	
Other CE	*240 786*	*7.2%*		*175 098*	*5.9%*	
Total CE	1 987 790	59.5%		1 727 723	58.5%	
Russia	402 838	12.1%		410 858	13.9%	
Spain	704 412	21.1%		621 559	21.1%	
New Markets	243 700	7.3%		192 511	6.5%	
EBITDA	**436 472**		13.1%	**356 374**		12.1%
Poland	*184 924*		*13.9%*	*164 409*		*13.8%*
Czech Republic	*71 610*		*17.2%*	*52 032*		*14.5%*
Other CE	*34 796*		*14.5%*	*15 267*		*8.7%*
Total CE	291 330		14.7%	231 708		13.4%
Russia	40 457		10.0%	43 217		10.5%
Spain	146 363		20.8%	130 871		21.1%
New Markets	-1 638		-	-32 505		-
Unallocated	-40 040		-	-16 917		-
Adjusted EBITDA*	**466 895**		14.0%	**381 981**		12.9%
Poland	*182 976*		*13.7%*	*171 676*		*14.4%*
Czech Republic	*72 842*		*17.5%*	*54 041*		*15.1%*
Other CE	*36 525*		*15.2%*	*16 106*		*9.2%*
Total CE	292 343		14.7%	241 822		14.0%
Russia	49 653		12.3%	51 154		12.5%
Spain	148 935		21.1%	134 951		21.7%
New Markets	1 761		0.7%	-29 029		-
Unallocated	-25 797		-	-16 917		-
EBIT	**195 743**		5.9%	**109 895**		3.7%
Poland	*94 646*		*7.1%*	*74 087*		*6.2%*
Czech Republic	*47 154*		*11.3%*	*24 916*		*6.9%*
Other CE	*15 977*		6.6%	*-2 555*		-
Total CE	157 777		7.9%	96 448		5.6%
Russia	14 001		3.5%	14 946		3.6%
Spain	94 386		13.4%	86 836		14.0%
New Markets	-30 188		-	-71 323		-
Unallocated	-40 233		-	-17 012		-

* EBITDA adjusted by costs of new openings (start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction), corrections in indirect taxes and the effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

Favorable macro trends in core markets of CE and Spain, growing consumer confidence and continued growth of comparable sales justify further expansion in number of AmRest's restaurants. 99 new locations opened in 2015 (including 17 franchised stores), together with openings in 2014, additionally increased consolidated revenues of the Group. Acquisition of Starbucks chain in Romania and Bulgaria (23 stores) in June 2015 also supported that growth.

Russian division was the only market, where sales declined (-2% vs 2014). The revenues in 2015 amounted to PLN 403m and were lower by PLN 8m compared to the previous year, which was solely the effect of weaker ruble. In local currencies sales grew by 30.1%

In Q4 2015 consolidated revenues of AmRest amounted to PLN 918m and were higher by 18.8% than year ago. The strongest growth was observed in CE (+18.6%). In Spain, thanks to solid LFL trends and dynamic expansion in number of restaurants, revenues increased by 16.1%. New Markets division's top line grew by 9.9% on the back of Blue Frog new openings, while in Russia 2% decline in sale was observed (effect of ruble depreciation).

On the back of solid top line growth and continued improvement of cost effectiveness AmRest Group delivered record high financial results for 2015 year. Operating profit of the company (EBIT) amounted to PLN 196m and was 78.1% higher than year ago. EBIT margin grew by 2.2pp and reached 5.9% in 2015. Favorable trends in food prices in observed in main markets of AmRest operation supported by supply chain management savings strengthened gross margin of the Group. Effective negotiations of lease rates resulted in decreased cost of rent. In 2015 the Group recorded relatively lower depreciation cost as a result of reduced Capex spending (savings in the average cost of new opening were achieved). Continued positive trends in performance of restaurants together with improved process of market planning accuracy of site selection translated into better quality of asset portfolio and PLN 14m decrease in fixed assets impairments (to PLN 17m in 2015) Additionally, 2015 EBITDA profit was negatively impacted by PLN 17m accounting cost of cash settlement of employees benefits related to stock option plan.

AmRest Group's EBITDA for 2015 increased by 22.5% compared to previous year and reach a record high level of PLN 436m. EBITDA margin amounted to 13.1% and was 1pp higher than year ago. Q4 2015 was another strong quarter for the Group, with EBITDA again exceeding PLN 100m and reaching PLN 115m. EBITDA margin for the quarter was on par with previous year level of 12.6%

EBITDA adjusted by costs of new openings, mergers and acquisitions, corrections in indirect taxes and accounting effect of stock option plan exercise method modification stood at PLN 467m in 2015 and was PLN 85m higher compared to previous year, which represented 22.2% growth. Adjusted EBITDA margin increased to 14% in 2015.

AmRest Group continued development strategy focused on the core markets of operation – CE and Spain, which resulted in further growth of EBITDA in these regions (+25.7% and +11.8% respectively). Maintained stable sales trends and lower food prices significantly improved gross margins in these markets.

The most dynamic EBITDA growth in CE was observed in the segment "Other CE" (increase of PLN 20m vs 2014). Continued margin improvement in all brands of Hungary and the Balkans was supported by the acquisition of Starbucks business in Romania and Bulgaria. Profitability of acquired Starbucks chains is the highest across the Group, which positively contributed to total results of the region.

In Czech Republic EBITDA grew by 37.6% compared to 2014 (PN 20m growth). EBITDA margin strengthened by 2.7% to the level of 17.2%. significant improvement in margins was achieved on the back of double-digit LFL trends in all three brands as well as further savings in operating costs.

Growing number of customers visiting AmRest's restaurants and stable LFL trends across the market supported PLN 20m growth of EBITDA in Poland. 2015 EBITDA margin increased by 0.1pp to the level of 13.9%. Favorable developments in food cost and improved gross margin were partly consumed by the pressure on labor costs and one-off expenses related to the closure of two Burger King and one Starbucks stores.

Spanish division remains the most profitable region of AmRest Group. PLN 15m increase of EBITDA in 2015 was mostly driven by solid top line growth and savings in food cost. EBITDA margin reached 20.8%, representing 0.3pp decline compared o 2014. The deterioration resulted mainly from increased marketing expenses and non-recurring costs of closing 1 restaurant. As positive macro trends in Spain continue, base business is very strong and new openings' performance exceeds expectations, profitability of Spanish division should strengthen in the future.

As previously communicated, the results of New Markets significantly improved in 2015. Deep restructuring of the business, closure of non-performing La Tagliatella restaurants and focus on development of Blue Frog brand in China translated into substantial reduction of losses of this division (New Market's EBITDA in 2015 increased by PLN 31m). AmRest is focused on the expansion of Blue Frog in China, which will allow to benefit from the economies of scale. Long-awaited opening of flagship restaurant in Shanghai Disney Resort in mid-

2016 is expected to drive the brand awareness among Chinese customers. Along with the growing presence of Blue Frog restaurants in China, further improvement of New Markets' profitability is anticipated.

Economic and political environment remained a negative factor on performance of Russian division. Given the maintained uncertainty of future developments in the region, the Group decided to limit investment activity and focus on cost saving initiatives to protect margins of the business. Double-digit LFL growth together with disciplined cost management allowed to keep EBITDA margin at 10% in 2015. Improved labor efficiency together with successful negotiations of food cost and lease agreements enhanced profitability. Due to decreased scale of investments, pre-opening cost of new builds were also reduced.

Net profit of the Group for 2015 tripled compared to previous year and amounted to PLN 160m. Record high bottom line result, apart from the solid performance improvement in restaurants, was also driven by PLN 7m savings achieved in financial costs.

At the end of 2015 the liquidity ratios reflected solid balance sheet structure of the Group. The long-term debt ratio decreased to 1.07 at the end of the year as a result of reclassification of part of the debt as short-term. Net debt calculated for contractual covenants as at the end of 2015 amounted to PLN 817m. Net debt/EBITDA ratio amounted to 1.85.

7.2. Assessment of future ability to settle incurred liabilities

The Consolidated Financial Statements for the period of 12 months ending 31 December 2015 were prepared in accordance with going concern assumption by the Group in foreseeable future what assumes realization of assets and liabilities throughout the normal terms of Group business operations. The Annual Consolidated Financial Statements do not contain any adjustments that would be necessary in such circumstances. In the opinion of the Management Board, as at the date on which the Consolidated Financial Statements were drawn up, there were no circumstances indicating any threat to the Company continuing as a going concern.

7.3. Financial instruments in AmRest

AmRest uses the following financial instruments: loans, borrowings, bonds and forward transactions.

At 31 December 2015 the AmRest Group held the following credit lines available for use (in respect of foreign currency loans, their amounts are given in PLN, translated at the NBP rate prevailing on 31.12.2015):

- ING Bank (Czech) – PLN 8 526 thousand (bank overdraft),
- Bank Pekao S.A., Bank Zachodni WBK S.A., ING Bank Śląski S.A., Bank BGŻ BNP Paribas S.A. (Poland) – PLN 200 000 thousand (revolving loan in PLN, tranche D),
- Bank Pekao SA (Poland) – PLN 15 000 thousand (cash pool limit),
- Bank of China (China) – PLN 4 807 thousand (short term loan).

Detailed information on loans, borrowings and bonds as at 31 December 2015 are presented in Note 18 to the Consolidated Financial Statements and in Appendix No. 10 of the Supplement to the Directors' report.

Other financial instruments as at 31 December 2015, are described in Note 31 of the Consolidated Financial Statements.

7.4. Structure of key investments and capital expenditure projects

As at 31 December 2015, AmRest's capital expenditure projects amounted to PLN 828 thousand. They are related to SCM s.r.o. shares.

7.5. Description of key domestic and foreign investments

Increases in non-current assets in the years 2014 and 2015 are shown in the table below.

TABLE 8. THE GROUP'S PURCHASES OF NON-CURRENT ASSETS (2014–2015)

PLN '000	2015	2014
Intangible assets, including:	**74 751**	**18 486**
Licences for use of Pizza Hut, KFC, Stabucks and Burger King trademarks	9 314	9 133
Goodwill	2 150	-
Other intangible assets	63 287	9 353
Fixed assets, including:	**268 995**	**299 797**
Land	-	6 273
Buildings	159 102	139 399
Equipment	87 540	82 636
Vehicles	2 872	525
Other (including fixed assets under construction)	19 481	70 964
Total	**343 746**	**318 283**

Capital expenditure incurred by AmRest Group in 2015 related mainly to construction of new restaurants, renovation of existing portfolio and acquisition of 23 Starbucks coffee shops in Romania and Bulgaria in June 2015. The increase in capital expenditure by PLN 25m compared to previous year resulted from the mentioned acquisition (PLN 67m). Remaining capital expenditure incurred in 2015 was by PLN 41m lower than year before, which was possible thanks to further savings in the build costs of new units. In 2015 capital expenditure was financed mainly with cash flows generated on operating activities of the business.

As at the end of 2015, AmRest was operating 904 restaurants (800 as at the end of 2014). In 2015 the Group opened 99 new restaurants, acquired 23 restaurants, 18 restaurants were closed.

TABLE 9. NUMBER OF AMREST RESTAURANTS AS AT 31 DECEMBER 2015

	AmRest	Franchisees	Total
As at the end of 2014	694	106	**800**
Openings	82*	17	**99**
Closings	-17*	-1	**-18**
Lasting relocations	0	0	**0**
Acquisitions	23	0	**23**
Total	**782**	**122**	**904**

* Data include 5 relocations completed in 2015 (2 restaurants were closed in 2012 and 3 in 2015; all 5 restaurant were reopened in 2015)

As at March 11th, 2016 AmRest operates 908 restaurants.

TABLE 10. NUMBER OF AMREST RESTAURANTS AS AT THE DATE OF PUBLICATION OF THE REPORT

Countries	Brands	31-12-2014	31-03-2015	30-06-2015	30-09-2015	31-12-2015	11-03-2016
Poland	**TOTAL**	**320**	**323**	**328**	**335**	**346**	**346**
	KFC	191	190	193	197	206	206
	BK	32	32	33	33	33	33
	SBX	38	38	38	41	40	40
	PH	59	63	64	64	67	67
Czech	**TOTAL**	**94**	**96**	**98**	**99**	**102**	**103**
	KFC	68	69	69	69	71	71
	BK	7	7	7	7	7	7
	SBX	19	20	22	23	24	25
Hungary	**TOTAL**	**42**	**42**	**43**	**46**	**49**	**49**
	KFC	30	30	31	33	35	35
	SBX	10	10	10	11	12	12
	PH	**2**	**2**	**2**	**2**	**2**	**2**
Russia	**TOTAL**	**101**	**105**	**105**	**105**	**109**	**109**
	KFC	92	96	96	96	101	101
	PH	9	9	9	9	8	8
Bulgaria	**TOTAL**	**6**	**6**	**11**	**11**	**11**	**11**
	KFC	6	5	5	5	5	5
	BK	1	1	1	1	1	1
	SBX			5	5	5	5
Serbia	**TOTAL**	**5**	**5**	**5**	**5**	**5**	**5**
	KFC	5	5	5	5	5	5
Croatia	**TOTAL**	**5**	**5**	**5**	**5**	**5**	**5**
	KFC	5	5	5	5	5	5
Romania	**TOTAL**			**18**	**19**	**19**	**19**
	SBX			18	19	19	19
Spain	**TOTAL**	**190**	**193**	**199**	**204**	**216**	**218**
	TAG - own restaurants	57	58	59	63	65	65
	TAG - franchised units	101	103	108	108	115	116
	KFC	32	32	32	33	36	37
France	**TOTAL**	**8**	**9**	**9**	**9**	**10**	**10**
	TAG - own restaurants	4	4	4	4	4	4
	TAG - franchised units	4	5	5	5	6	6
Germany	**TOTAL**	**3**	**3**	**3**	**2**	**2**	**2**
	TAG - own restaurants	3	3	3	2	2	2
China	**TOTAL**	**22**	**22**	**26**	**27**	**29**	**30**
	Blue Frog	17	18	23	24	25	26
	KABB	3	3	3	3	4	4
	TAG - own restaurants	2	1	0	0	0	0
USA	**TOTAL**	**4**	**1**	**1**	**1**	**1**	**1**
	TAG - own restaurants	3	1	1	1	1	1
	TAG - franchised units	1	0	0	0	0	0
TOTAL AmRest		**800**	**810**	**851**	**868**	**904**	**908**

7.6. Insurance contracts

TABLE 11. INSURANCE CONTRACTS (AS AT THE END OF 2015)

The Insured	Type of insurance	The Insurer
A master property insurance policy for all companies CEE and Russia (in each country a local policy was underwritten by a company from the VIG GROUP or a cooperating company, with reference to the master policy)	All risks property insurance All risks insurance of loss of profit Electronic property policy insurance	TU COMPENSA S.A. Vienna Insurance Group [local policies underwritten by the VIG GROUP companies (excluding Russia) with reference to the master policy]
A master general liability insurance policy for all operations of all companies CEE and Russia (in Serbia, Croatia and Russia local policies were issued referring to the MASTER POLICY)	General liability insurance in respect of operations and property with extensions	TU COMPENSA S.A. Vienna Insurance Group [local policies underwritten by VIG GROUP company in Serbia and Croatia and policy underwriten by ACE INSURANCE COMPANY RUSSIA]
A policy underwritten in Spain covering Spain, France and Germany	All risks property insurance All risks insurance of loss of profit General liability cover	AIG
A policy underwritten in Spain covering Spain, France and Germany	Cargo transport Construction All Risk	Tokio Marine HDI
Policy for companies in USA	General liability cover	Essex Insurance Company
Policy for companies in China	All risks property insurance General liability cover Cash insurance	AIG, AXA
Policy for companies in China	Employer liability insurance Group Health Insurance for Employee	CPIC Met Life
General liability policy for the authorities of the commercial companies for all Group companies including the USA	D&O insurance	ACE European Group Limited [local policy in China underwritten by Huatai and in Serbia underwritten by Wiener Śtaedtische VIG]
Motor insurance in Poland	All risks, Third party and Accident insurance	Ergo Hestia

7.7. Major events with a significant impact on the Company's operations and results

On February 24th, 2015 the Management Board of AmRest informed that on February 23rd, 2015 the Supervisory Board of AmRest appointed PricewaterhouseCoopers Sp. z o.o., with its seat in Warsaw, Al. Armii Ludowej 14, listed on the list of registered auditors under no. 144, to conduct audit of the stand-alone and consolidated financial statements of the Company and AmRest Holdings SE capital group for 2015, 2016 and 2017. The mentioned entity conducted audit of AmRest's financial statements in 2006 - 2014 period.

On March 5th, 2015 the Management Board of AmRest announced the entering into the Share Purchase Agreement ("SPA"), dated March 4th, 2015, between AmRest Sp. z o.o. („AmRest Poland") and Marinopoulos Coffee SEE B.V. ("Seller"). AmRest Poland acquires 100% shares of S.C. Marinopoulos Coffee Company III S.r.l. ("MCC Romania") and Marinopoulos Coffee Company Bulgaria EOOD ("MCC Bulgaria") at estimated price of ca. EUR 16m. Final purchase price was to be determined as at the day of closing of the transaction.

MCC Romania and MCC Bulgaria were sole operators of Starbucks coffee stores. At the date of signing the SPA the Seller operated 19 units – 14 in Romania and 5 in Bulgaria. The development plan assumed opening of 7 new Starbucks locations in Romania by the end of 2015. The estimated revenues of MCC Romania and MCC Bulgaria in 2014 amounted to ca. EUR 10m while EBITDA profit was expected at ca. EUR 2m.

The intention of both parties was to finalize the transaction by May 15th, 2015 ("Closing"). Closing was to be a subject to conditions preceding, e.g.: consent of the owner of Starbucks brand, landlords' approvals and satisfactory result of due diligence performed on MCC Bulgaria.

The acquisition of MCC Romania and MCC Bulgaria was aimed to strengthen the restaurant industry leader position of AmRest in Central and Eastern Europe. The addition of well positioned Starbucks business to AmRest's current portfolio is accretive to AmRest's margins and shall contribute to value creation for its shareholders.

On May 9th, 2015 the Management Board of AmRest announced signing on May 8th, 2015 an addendum ("the Addendum") to Share Purchase Agreement ("SPA") between AmRest Sp. z o.o. and Marinopoulos Coffee SEE B.V. ("the Parties").

The subject of the Addendum was to change the date of the transaction closing ("Completion"). In connection with an opposition filed on April 10th, 2015 by the Romanian tax authority (Directia Generala Regionala a Finantelor Publice Bucuresti) against the transfer of shares in S.C. Marinopoulos Coffee Company III S.r.l. to AmRest Sp. z o.o., the Parties agreed that Completion would occur no later than on the fifth business day after the date of receiving by the Parties an notification that the Bucharest Trade Registry Office has registered the cancellation or lifting of mentioned opposition. All other provisions of the SPA remained unchanged.

On June 24th, 2015the Management Board of AmRest informed about the Completion of the SPA on 24th June 2015. As a result of the Completion AmRest Poland acquired 100% shares of S.C. Marinopoulos Coffee Company III S.r.l. ("MCC Romania") and Marinopoulos Coffee Company Bulgaria EOOD ("MCC Bulgaria") at total price of EUR 16.4m.
All conditions precedent and approvals required under the Agreement including in particular the consent of the owner of Starbucks brand, landlords' approvals and satisfactory result of due diligence performed on MCC Bulgaria had been fulfilled.

On October 21st, 2015 AmRest informed that AmRestavia, S.L.U. ("AmRestavia"), a 100% subsidiary of AmRest, acting as the solely member and manager of La Tagliatella – Seneca Meadows, LLC ("Seneca Meadows") adopted on October 20th, 2015 a resolution dissolving Seneca Meadows.

The dissolution was carried out in accordance with the State of Maryland Code and came into force upon its adoption.

Additionally, on October 21st, 2015, AmRestavia acting as the solely member and manager of La Tagliatella – The Promenade, LLC (“The Promenade”) adopted a resolution dissolving The Promenade.

The dissolution was carried out in accordance with the State of Virginia Code and came into force upon its adoption.

Dissolution of Seneca Meadows and The Promenade was a result of the cessation of operation of La Tagliatella restaurants in the United States. The last equity restaurant of the brand owned by AmRest was closed on February 28th, 2015.

On January 22nd, 2016 AmRest informed about signing on the same day the termination of the Distribution Agreement concluded on April 17th, 2008 between AmRest Kft (formerly American Restaurants Kft) and AmRest Kávézó Kft (together called “AmRest Hungary”) and LDS Disztibútor Szolgáltató Kft (formerly Lekkerland Export-Import Kft, hereinafter “Distributor”) (“Agreement”). The Agreement was published in the regulatory announcement RB 23/2008 dated April 18th, 2008.

The subject of the Agreement were distribution services provided by Distributor to the restaurants operated by AmRest Hungary.

Dissolution of the Agreement shall be effective on June 1st, 2016.

The agreement was terminated by AmRest Hungary due to the Company's strategy of consolidating the distribution in Central and Eastern Europe. Termination of the Agreement will not have financial consequences for the Company, as well as its subsidiaries (including AmRest Hungary).

On January 22nd, 2016 AmRest informed also that AmRest Coffee SK s.r.o. and Starbucks EMEA LTD and Starbucks Manufacturing EMEA B.V. (collectively: “Starbucks”) signed on January 22nd, 2016 the Area Development and Operation Agreement and Supply Agreement regarding the rights and license to develop, own and operate Starbucks stores in the Slovak Republic (collectively: the “Agreements”). AmRest Coffee SK s.r.o. is the company created by AmRest s.r.o. and AmRest Sp. z o.o., 100% subsidiaries of AmRest. Agreements came into force upon their signing.

The Agreements were concluded for a period of 15 years from the date of their entry into force, with an option to extend the term for an additional 5 years upon the fulfillment of certain conditions. AmRest Coffee SK s.r.o. will be the only entity with the right to develop and operate Starbucks stores in the Slovak Republic during the term of the Agreements with non-exclusive rights to certain institutional locations and sale channels.

The key fees and costs to be borne by the AmRest Coffee SK s.r.o. will be:

- the services fee for initial operation support in an amount equal to the costs incurred by Starbucks in this regard,
- the initial franchise fee of USD 25 thousand for each Starbucks store,
- the continuing licensing and service fee equal to 6% of sales revenues of each Starbucks store,
- the fee creative services equal to 1% of sales revenues of each Starbucks store.
- a local marketing spend obligation is to be mutually agreed annually.

AmRest Coffee SK s.r.o. agreed to open and operate Starbucks stores in strict accordance with the development schedule which includes the minimum numbers of openings in each year within the Agreements’ period. If AmRest Coffee SK s.r.o. fails to meet the development obligations, Starbucks will have the right to charge a development default fee or to terminate the Agreements. The Agreements include the provision concerning the purchase of coffee and other basic supplies either from Starbucks or other approved or designated suppliers.

7.8. Information on significant transactions with related parties concluded by the Issuer or its subsidiaries on terms other than market's conditions

In the reporting period there were no transactions with related parties concluded within the AmRest Group on terms other than market's conditions.

7.9. Major achievements of the Company in the field of research and development

The Company does not conduct research and development activities. Innovative products introduced to the menu of restaurants operated by AmRest are described in sections 2.2 and 2.3 of this Report.

8. The AmRest Holdings SE Group in 2015

8.1. Planned investment activities and assessment of their feasibility

Investment activities of AmRest Group are focused on organic growth ensuring value creation for shareholders. According to of 80/20 investment strategy, the capital is primarily allocated towards proven and mature brands yielding the highest returns. As a result the main focus is put on development of KFC and Starbucks brands in Central Europe, and new openings of La Tagliatella in Spain.

Favorable macro trends in CE and Spain, growing average spending on dining out and observed increased number of visits in restaurants of the Group indicate continuation of positive long-term trends in restaurant industry. Additionally, promising performance of the restaurants opened recently justify intensive capital allocation towards mentioned brands. As a result, the scale of investment in new openings in CE and Spain should increase in the future.

In 2015 the Group reduced expansion in Russia and opened 12 new restaurants (compared to 25 new builds in 2014). As political uncertainty and negative macro trends remain, management of the Group monitors the situation with close attention. Return on the path of dynamic growth will be considered upon stabilization of business environment in that region.

In New Markets, expansion of La Tagliatella restaurants outside Spain has been limited to France where modest and well-thought development of the brand is expected. Company will also continue opening of new Blue Frog locations in China at the current pace. With the grand opening of flagship Blue Frog restaurant in Shanghai Disney Resort, brand awareness is expected to improve significantly, which should drive further enhancement of profitability.

The plan of new openings will be adjusted on an on-going basis to the current market conditions and access to attractive locations in each country. Management of the Group is very restrictive and selective in allocation of available capital to ensure minimum 20% IRR on each investment.

AmRest continuously monitors current developments in the M&A market for the potential acquisition that fit in the strategy of the Group. Purchase of Starbucks chains in Romania and Bulgaria in June 2015 was a model example of such transaction, enhancing the scale of Starbucks brand under AmRest umbrella and strengthening Group's leadership position in CE restaurant market.

Management of the company assumes the long-term growth to be financed mainly with own funds and debt financing.

8.2. External and internal factors which are significant to the Company's development

Listed below are the factors that, in the opinion of the Management Board, had a significant effect on the Company's future development and results.

8.2.1. External factors

The external factors include:

- competitiveness – in terms of prices, quality of service, location and quality of food,
- demographic changes,
- trends as to the number of people using the restaurants,
- number and location of the competitors' restaurants,
- changes in the law and regulations which have a direct effect on the functioning of the restaurants and the employees employed therein,

- change in real estate rental costs and related costs,
- changes in the prices of ingredients used to prepare meals and changes in the prices of packaging materials,
- changes in the general economic condition in Poland, the Czech Republic, Hungary, Bulgaria, Russia, Serbia, Croatia, Romania, Spain, France, Germany, China and the United States,
- changes in consumer trust, the amount of disposable income and individual spending patterns,
- changes in legal and tax determinants,
- adverse changes on the financial markets.

8.2.2. Internal factors

The internal factors include:

- gaining and training the human resources necessary for the development of the existing and new restaurant networks,
- obtaining attractive locations,
- effective launching of new brands and products,
- building an integrated information system.

9. Basic risks and threats to which the Company is exposed

The Management Board of AmRest is responsible for the risk management system and the internal control system as well as for reviewing these systems for operating efficiency. These systems help identify and manage risks which may prevent the execution of the long-term objectives of AmRest. However, having these systems in place does not ensure complete elimination of the risk of fraud and violation of the law. The Management Board of AmRest performed a review, an analysis and a ranking of risks to which the Company is exposed. The main current risks and threats have been summarized in this section. AmRest reviews and improves its risk management and internal control systems on an on-going basis.

9.1. Factors remaining outside the Company's control

This risk is related to the effect of factors remaining outside the Company's control on AmRest's development strategy which is based on opening new restaurants. Such factors include: opportunities for finding and securing available and appropriate locations for restaurants, the ability to obtain the permits required by relevant bodies, the possibility of delays in opening new restaurants.

9.2. Dependency on the franchisor

AmRest manages KFC, Pizza Hut, Burger King and Starbucks (in Romania and Bulgaria) as a franchisee, and therefore a number of factors and decisions related to the business activities conducted by AmRest depend on the limitations or specifications imposed by the franchisors or on their consent.

The duration of the franchising agreements related to the KFC, Pizza Hut and Burger King brands is 10 years. AmRest has the option of extending this period for the next 10 years provided that it meets the conditions specified in the franchising agreements and other requirements, including the payment of the related continuation fee.

Despite meeting the above-mentioned terms, there is no guarantee that after the expiry of these periods a given franchising agreement will be prolonged to the next period. In the case of KFC and Pizza Hut restaurants, the first period commenced in 2000, in the case of Burger King, the first period commenced in 2007 with the opening of the first restaurant of this brand.

Franchise agreements for Starbucks stores in Romania are valid till 2023, while in Bulgaria until 2027.

9.3. Dependency on joint venture partners

AmRest opens Starbucks restaurants through joint venture Companies in Poland, the Czech Republic and Hungary, based on a partnership as part of joint venture agreements. Therefore, some decisions as part of the joint business activities will be dependent on the partners' consent.

The joint venture agreements with Starbucks were concluded for a period of 15 years with a possibility of their extension for the next 5 years upon meeting the specified conditions. Should AmRest fail to comply with the obligation to open and run the minimum specified number of cafés, Starbucks Coffee International, Inc. shall have the right to increase its share in the joint venture companies by acquiring shares from AmRest Sp. z o.o. at a price agreed between the parties based on the valuation of the joint venture companies.

9.4. No exclusive rights

The franchising agreements concerning the running of KFC, Pizza Hut and Burger King restaurants do not contain provisions on granting AmRest any exclusive rights on a given territory, protection or any other rights on the territory, in the area or on the market surrounding AmRest restaurants. However, in practice, due to the scale of AmRest's operations (including a well-developed distribution network), the possibility that a competitive operator (to the brands currently operated by the Company) should appear who would be able to effectively compete with the AmRest Group restaurants is relatively limited.

In the case of Starbucks restaurants, the joint venture companies are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech Republic and Hungary, without exclusive rights to some institutional locations. The exclusive rights apply also to restaurants operated in Romania and Bulgaria.

9.5. Rental agreements and continuation options

Almost all AmRest restaurants operate in rented facilities. The majority of the rental contracts are long-term and they are usually concluded for at least 10 years from the date of commencing the rental (assuming that all continuation options are exercised, on specified terms, and not including contracts which are subject to periodic renewal, unless they are terminated, and contracts concluded for an indefinite period). A number of rental contracts grant AmRest the right to prolong the contract provided that the Company complies with the terms of rental. Regardless of whether the terms are complied with or not, there is no guarantee that AmRest will be able to prolong a rental contract on terms satisfactory from the point of view of business practice. If this is not possible a potential loss of important restaurant locations may have an unfavourable effect on AmRest's operating results and its business activities.

Moreover, in certain circumstances AmRest may make a decision to close a given restaurant and terminating the relevant rental contract on cost effective terms may prove impossible. This situation may also have an adverse effect on the business activities and operating results of the Company. Closing any of the restaurants is subject to approval by the franchisor and it is not certain that such approval will be obtained.

In the case of Russian and Chinese restaurants acquired by AmRest accordingly in July 2007 and December 2012, the average term of the rental contracts is relatively shorter compared with AmRest restaurants in the remaining countries. This results from the specific nature of the Russian market.

9.6. Risk related to the consumption of food products

Consumer preferences may change in connection with doubts arising as to the healthful properties of chicken which is the main ingredient in KFC menu, or as a result of unfavourable information being circulated by the mass media concerning the quality of the products, diseases caused by them and damages to health as a result of eating in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB, and as a result of revealing unfavourable data prepared by the government or a given market sector concerning the products served in AmRest restaurants and restaurants of other franchisees of KFC, Pizza Hut, Burger King, Starbucks, La Tagliatella, Blue Frog and KABB, health-related issues and issues related to the functioning patterns of one or more restaurants run both by AmRest and the competition. The above-mentioned risk is limited by using the highest quality ingredients in AmRest restaurants, which come from reliable and reputable suppliers, compliance with strict quality control and hygiene standards and the use of top modern equipment and processes which ensure the absolute safety of the meals.

9.7. Risk related to keeping key personnel in the Company

The Issuer's success depends to some extent on the individual effort of selected employees and key members of management. The methods of remunerating and managing human resources developed by the Issuer help ensure a low rotation of the key personnel. Additionally, the career planning system supports preparing successors ready to execute tasks in key positions. The Issuer believes it will be able to replace its key personnel. Regardless of that, their loss may have a short-term adverse effect on the business activities and operating results of the Issuer.

9.8. Risk related to labour costs of restaurant employees and employing and keeping professional staff

Running catering activities on such a large scale as the Issuer does requires employing a large number of professionals. Excessive outflow of employees and too frequent changes in managerial positions may pose a significant risk to the stability and quality of the business activities. Due to the fact that salaries in Poland, the Czech Republic and Hungary (including in the catering sector) are still decidedly lower than in other European Union countries, there is a risk of outflow of qualified staff and thus a risk of the Company being able to ensure the appropriate staff necessary for providing the highest quality catering services. In order to avoid the risk of losing qualified staff it may be necessary to gradually increase the salary rates, which may have an adverse effect on the financial standing of the Issuer.

9.9. Risk related to limited access to foodstuffs and the variability of their cost

The Issuer’s situation is also affected by the need to ensure frequent deliveries of fresh agricultural products and foodstuffs and anticipating and responding to changes in supplies costs. The Company cannot rule out the risk related to delivery deficits or interruptions caused by factors such as unfavourable weather conditions, changes in legal regulations or withdrawing some foodstuffs from trading. Also the increased demand for certain products accompanied by limited supply may lead to difficulties in obtaining them by the Company or to price increases for those products. Both the deficits and product price increases may have an adverse effect on the Group‘s results, operations and financial standing. In order to mitigate this risk (among others) AmRest Sp. z o.o. concluded a contract with SCM Sp. z o.o. for the provisions of services comprising intermediation and negotiating terms of delivery to restaurants, including negotiating terms of distribution agreements.

9.10. Risk related to developing new brands

AmRest has operated the Burger King, Starbucks, La Tagliatella, Blue Frog and KABB brands for a relatively short time. As these are new concepts for AmRest, there is a risk related to demand for the products offered and their acceptance by customers.

9.11. Risk related to opening restaurants in new countries

Opening or taking over restaurants operating in a new geographical and political area involves the risk of varying consumer preferences, a risk of insufficient knowledge of the market, the risk of legal restrictions arising from local regulations and the political risk of these countries.

9.12. Currency risk

The results of AmRest are exposed to currency risk related to transactions and translations into currencies other than the currency in which business transactions are measured in the individual Capital Group companies. The Company adjusts its currency portfolio of debt to the geographical structure of its profile of activities. Additionally, AmRest uses forward contracts to secure transaction risks on a short term basis.

9.13. Risk related to the current geopolitical situation in the Ukraine and Russia

Russia is one of the largest markets for AmRest. The recent geopolitical and economic turmoil witnessed in the region, in particular the developments in Ukraine, have had and may continue to have a negative impact on the Russian economy, including weakening of the Russian Ruble, higher interest rates, reduced liquidity and consumer confidence. These events, including current and future international sanctions against Russian companies and individuals and the related uncertainty and volatility of the supply chain, may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from management's expectations however it is being monitored in order to adjusts strategic intentions and operational decisions, which will minimize business risks.

9.14. Risk of increased financial costs

The Issuer and its subsidiaries are exposed to the significant adverse impact of interest rate fluctuations in connection with obtaining financing which bears floating interest rates and investing in assets bearing floating and fixed interest rates. The interest rates of bank loans and borrowings and issued bonds is based on floating reference rates which are updated over periods shorter than one year. Interest on financial assets with fixed interest rates is fixed over the entire period to maturity of these instruments. Additionally, the Issuer and its subsidiaries may, as part of the interest rate hedging strategy, enter into derivative and other financial contracts the valuation of which is significantly affected by the level of reference rates.

9.15. Liquidity risk

The Company is exposed to the risk of lack of financing at the moment of maturity of bank loans and bonds.

As at 31 December 2015, the Company has enough short-term assets, including cash and promised credit limits, to fulfil is liabilities due in the next 12 months.

9.16. Risk of economic slowdowns

Economic slowdown in the countries where AmRest runs its restaurants may affect the level of consumption expenditure on these markets, which in turn may affect the results of the AmRest restaurants operating on these markets.

9.17. Risk related to seasonality of sales

The seasonality of sales and inventories of AmRest is not significant, which is typical for the restaurant industry. On the European market restaurants record lower sales in the first half of the year, mainly due to the lower number of sale days in February and the relatively less frequent visits to restaurants.

9.18. Risk of computer system breakdowns and temporary breaks in serving customers in network restaurants

A potential partial or complete loss of data in connection with computer system breakdowns or damage or loss of key tangible fixed assets of the Company might result in temporary interruptions in serving customers in restaurants, which might have an adverse effect on the Group's financial results. In order to minimize this risk, the Issuer has implemented appropriate procedures in order to ensure the stability and reliability of IT systems.

10. Company's strategic development directions

AmRest's strategy is to leverage its unique "Anything Is Possible" culture, international capability and superior brand portfolio to grow scalable (min. USD 50m annual sales) and highly profitable (min. 20% IRR) restaurants globally.

In the upcoming years the Group plans to strengthen its leadership position of restaurant sector in Europe. Encouraged by favourable macro trends and solid performance improvement across the brands, the Company will increase investment activities in CE and Spain by opening new locations at higher pace. Considering the current returns on new builds, brand expansion will be primarily focused on KFC, Starbucks and La Tagliatella in existing markets. In the opinion of management, the potential of AmRest's current markets is significantly above existing number of restaurants.

The company also continues its efforts aimed at building attractive growth platform in new markets of Europe, with particular focus on strengthening the portfolio of proprietary brands. In addition to the mentioned in this report purchase of Starbucks operators in Romania and Bulgaria, the example of very successful acquisition was addition of Restauravia to AmRest's Group in 2011. Continuous development of La Tagliatella in Spain and building the leadership position in Spanish Casual Dining sector positively contributed to the growth of AmRest value in the recent years.

11. Management Representations

11.1. Correctness and fairness of the presented financial statements

To the best knowledge of the Management Board of AmRest Holdings SE, the Annual Financial Statements and the comparative figures presented in the Annual Financial Statements of AmRest Holdings SE have been prepared in accordance with the binding accounting policies and they give a true, fair and clear view of the financial position of AmRest Holdings SE and its results. The Annual Directors' Report included in this document provides a true image of the development and achievements and the situation of AmRest Holdings SE, including a description of the key risks and threats.

11.2. Selection of the registered audit company

The entity authorized to audit the financial statements, PricewaterhouseCoopers Sp. z o.o., which carried out the annual audit of the Annual Financial Statements of the AmRest Group has been selected in compliance with the provisions of the law. Both the entity and auditors conducting the audit met the requirements necessary to enable them to issue an unbiased and independent audit opinion, in accordance with the relevant laws.

As mentioned in section 7.7 of this report, on February 23rd, 2015 the Supervisory Board of AmRest appointed PricewaterhouseCoopers Sp. z o.o. to conduct audit of the stand-alone and consolidated financial statements of the Company and AmRest Holdings SE capital group for 2015, 2016 and 2017. The agreement with PricewaterhouseCoopers Sp. z o.o. was signed on June 18th, 2015.

TABLE 12. REMUNERATION OF THE ENTITY ENTITLED TO AUDIT FINANCIAL STATEMENTS

PLN '000	For the period: from 01.01.2015 to 31.12.2015	from 01.01.2014 to 31.12.2014
PricewaterhouseCoopers Sp. z o.o.	**418**	**540**
Due to a contract for the review and audit of financial statements, including:		
- audit of annual financial statements	258	274
- review of financial statements	160	156
Other contracts	-	110
Other companies from the PricewaterhouseCoopers group	**2 117**	**974**
Due to a contract for the review and audit of financial statements, including:		
- other assurance services	1 215	909
- tax advisory services	901*	-
- other services	-	65

* Including PLN 747 thousand. concerning non-invoiced expenses for the year 2015 and resulting from the existing agreement

Wrocław, March 11th, 2016

Mark Chandler
AmRest Holdings SE
Board Member

Wojciech Mroczyński
AmRest Holdings SE
Board Member

Drew O'Malley
AmRest Holdings SE
Board Member

Jacek Trybuchowski
AmRest Holdings SE
Board Member

Oksana Staniszewska
AmRest Holdings SE
Board Member

Olgierd Danielewicz
AmRest Holdings SE
Board Member

AmRest Holdings SE

Directors' Report
for 2015

Supplement

11 March 2016

Appendix No. 1: The Company's shareholding structure

The shareholding structure

According to the information held by the Company, as at December 31st, 2015 – following shareholders provided information on holding directly or indirectly (through subsidiaries) at least 5% of the number of votes at the General Shareholders' Meeting of AmRest:

TABLE 1 SHAREHOLDING STRUCTURE OF AMREST AS AT DECEMBER 31ST, 2015

Shareholders	Number of shares	Share in capital %	Number of votes at GSM	% shares at GSM
FCapital Dutch B. V.*	6 726 790	31.71%	6 726 790	31.71%
Nationale-Nederlanden OFE**	2 539 429	11.97%	2 539 429	11.97%
PZU PTE***	2 779 734	13.10%	2 779 734	13.10%
Aviva OFE	2 100 000	9.90%	2 100 000	9.90%

* FCapital Dutch B. V. is the subsidiary of Finaccess Capital, S.A. de C.V.
** The previous name: ING OFE
** PTE PZU SA manages assets which include funds belonging to OFE PZU "Złota Jesień"

At the date of submitting this annual report, March 11th, 2016, the table illustrating the current shareholding structure is as follows:

TABLE 2 SHAREHOLDING STRUCTURE OF AMREST AS AT THE REPORT DATE, MARCH 11TH, 2016

Shareholders	Number of shares	Share in capital %	Number of votes at GSM	% shares at GSM
FCapital Dutch B. V.*	6 726 790	31,71%	6 726 790	31,71%
Nationale-Nederlanden OFE**	2 539 429	11,97%	2 539 429	11,97%
PZU PTE***	2 120 901	9,998%	2 120 901	9,998%
Aviva OFE	2 100 000	9,90%	2 100 000	9,90%

* FCapital Dutch B. V. is the subsidiary of Finaccess Capital, S.A. de C.V.
** The previous name: ING OFE
** PTE PZU SA manages assets which include funds belonging to OFE PZU "Złota Jesień"

Changes in the shareholding structure

According to the best knowledge of AmRest, in the period from 1 January 2015 to the date of submitting this report (March 11th, 2016), there were no changes in the shareholding structure of AmRest other than those described below.

Changes in the shareholding with respect to the shareholders holding over 5% of votes at the General Meeting of Shareholders

On May 7th, 2015 AmRest informed that it was notified on May 6th, 2015 by ING Otwarty Fundusz Emerytalny ("the Fund") about the sale transactions executed at the Warsaw Stock Exchange and settled on April 29th, 2015, as a result of which the Fund currently holds 3 629 848 shares of AmRest, which constitutes 17.11% of the Company's registered capital and entitles the Fund to 3 629 848 votes at the Company's Annual General Meeting, i.e. 17.11% of the total number of votes.

Prior to the transactions, the Fund held 3 755 848 shares of AmRest, which constituted 17,70% of the Company's registered capital and entitled the Fund to 3 755 848 votes at the Company's Annual General Meeting, i.e. 17,70% of the total number of votes.

On July 31st, 2015 the Management Board of AmRest informed that it was notified on July 30th, 2015 by Nationale-Nederlanden Otwarty Fundusz Emerytalny (previous name ING Otwarty Fundusz Emerytalny; "the Fund") about the sale transactions executed at the Warsaw Stock Exchange and settled on July 24th, 2015, as a result of which the Fund holds 2 539 429 shares of AmRest, which constitutes 11.97% of the Company's registered capital and entitles the Fund to 2 539 429 votes at the Company's Annual General Meeting, i.e. 11.97% of the total number of votes.

Prior to the transactions, the Fund held 3 623 948 shares of AmRest, which constituted 17.08% of the Company's registered capital and entitled the Fund to 3 623 948 votes at the Company's Annual General Meeting, i.e. 17.08% of the total number of votes.

On August 15th, 2015 the Management Board of AmRest informed about receiving on August 14th, 2015 the notification from WP Holdings VII B.V., with its seat in Amsterdam ("WP Holdings"), that on August 14th, 2015 it directly disposed all shares in AmRest by way of in-kind contribution to its 100% subsidiary FCapital Dutch B.V., with its seat in Amsterdam ("FCapital Dutch").

On August 19th, 2015 the Management Board of AmRest informed about receiving on the same day the notification from Finaccess Capital, S.A. de C.V. with its registered seat in Mexico ("Finaccess"), that on August 18th, 2015, as a result of the acquisition of 510,000 Class A shares and 363,133 Class B shares in FCapital Dutch, that entitle to exercise 510,000 votes at the FCapital Dutch's General Meeting, constituting 51% of total number of votes, Finaccess' subsidiary, Inmobiliaria Tabga, S.A. de C. V. with a seat in Mexico became FCapital Dutch's direct dominant entity (the "Transaction") and, consequently, Finaccess indirectly acquired 6,726,790 shares of AmRest, representing 31.71% of all shares in the Company, which entitle to 6,726,790 votes at the Company's General Meeting, constituting 31.71% of total number of votes.

On August 19th, 2015 the Management Board of AmRest informed also about receiving on the same day the notification from WP Holdings, that as a result of an indirect transfer of shares by sale of 100 % of the share capital of FCapital Dutch, on August 18th, 2015 WP Holdings disposed all shares it held indirectly via FCapital Dutch in AmRest.

Complete contents of received notifications was presented in RB 133/2015 dated August 15th, 2015, RB 137/2015 dated August 19th, 2015 and RB 138/2015 dated August 19th, 2015.

On January 8th, 2016 the Management Board of AmRest informed that it received on the same day a notification from Powszechne Towarzystwo Emerytalne PZU S.A. acting on behalf of Otwarty Fundusz Emerytalny PZU „Złota Jesień" („OFE PZU"), that as a result of a sale transaction executed at the Warsaw Stock Exchange on December 17th, 2015 OFE PZU reduced the previously held total number of votes at the Company's AGM by at least 2% and as at January 8th, 2016 held 2 306 671 shares in AmRest, which constituted 10.87% of the Company's registered capital and entitled OFE PZU to 2 306 671 votes, i.e. 10.87% of the total number of votes at the Company's AGM.

Prior to the transaction, OFE PZU held 2 411 672 shares in AmRest, which constituted 11.37% of the Company's registered capital and entitled to 2 411 672 votes, i.e. 11.37% of the total number of votes at the Company's AGM.

On January 15th, 2016 the Management Board of AmRest informed that it received on the same day a notification from Powszechne Towarzystwo Emerytalne PZU S.A. acting on behalf of Otwarty Fundusz Emerytalny PZU „Złota Jesień" („OFE PZU"), that as a result of a sale transaction executed at the Warsaw Stock Exchange on January 12th, 2016 OFE PZU reduced the total number of votes at the Company's AGM to less than 10% and as at January 15th, 2016 held 2 120 901 shares in AmRest, which constituted 9.998% of the Company's registered capital and entitled OFE PZU to 2 120 901 votes, i.e. 9.998% of the total number of votes at the Company's AGM.

Prior to the transaction, OFE PZU held 2 123 901 shares in AmRest, which constituted 10.012% of the Company's registered capital and entitled to 2 123 901 votes, i.e. 10.012% of the total number of votes at the Company's AGM.

Changes in the number of shares held by members of AmRest Management and Supervisory Boards

According to the best knowledge of AmRest, there are five members of Management Board, who owns the Issuer's shares: Mr. Wojciech Mroczyński, Mr. Jacek Trybuchowski, Mr. Drew O'Malley, Mrs. Oksana Staniszewska and Mr. Olgierd Danielewicz

As at December 31st, 2014 Mr. Wojciech Mroczyński held 2702 shares of the Company with a total nominal value of EUR 27.02. As at December 31st, 2015 (and simultaneously on the date of publication of this report) Mr. Mroczyński held 12 315 shares of the Company with a total nominal value of EUR 123.15.

As at December 31st, 2014 Mr. Jacek Trybuchowski held 3147 shares of the Company with a total nominal value of EUR 31.47. As at December 31st, 2015 (and simultaneously on the date of publication of this report) Mr. Trybuchowski held 34 758 shares of the Company with a total nominal value of EUR 347.58.

As at December 31st, 2014 Mr. Drew O'Malley didn't hold any shares of AmRest. As at December 31st, 2015 Mr. O'Malley held 20 298 shares of the Company with a total nominal value of EUR 202.98. At the date of publication of this report he holds 19 040 shares of the Company with a total nominal value of EUR 190.40.

As at the day of the appointment as the Management Board member Mrs. Oksana Staniszewska held 2 020 shares of the Company with a total nominal value of EUR 20.20. As at December 31st, 2015 (and simultaneously on the date of publication of this report) Mrs. Staniszewska held as before 2 020 shares of the Company with a total nominal value of EUR 20.20.

As at the day of the appointment as the Management Board member Mr. Olgierd Danielewicz held 4 800 shares of the Company with a total nominal value of EUR 48.00. As at December 31st, 2015 (and simultaneously on the date of publication of this report) Mr. Danielewicz held as before 4 800 shares of the Company with a total nominal value of EUR 48.00.

Pursuant to the information available to the Company, the only Supervisory Board member, who owns the Issuer's shares are Mr. Henry McGovern and Mr. Steven Kent Winegar.

As at December 31st, 2014 Mr. Henry McGovern held 734 386 shares of the Company with a total nominal value of EUR 7 343.86. As at December 31st, 2015 (and simultaneously on the date of publication of this report) Mr. McGovern held (personally and through closely related entities) 828 056 shares of the Company with a total nominal value of EUR 8 280.56.

As at the day of the appointment as the Supervisory Board member Mr. Steven Kent Winegar held (indirectly by a closely related person) 404 000 shares of the Company with a total nominal value of EUR 4 040.00. As at December 31st, 2015 (and simultaneously on the date of publication of this report) Mr. Steven Kent Winegar as before held (indirectly by a closely related person) 404 000 shares of the Company with a total nominal value of EUR 4 040.00.

Transactions on AmRest shares executed by persons having access to confidential information

On January 3rd, 2015 the Management Board of AmRest informed that on January 2nd, 2015 it received a notice from a person having access to confidential information of AmRest, about an acquisition of 51 AmRest shares on December 29th, 2014, at the price of PLN 0.00 (the transfer of shares was free of charge). The transaction was executed outside the regulated market, being execution of AmRest management options.

On January 19th, 2015 the Management Board of AmRest informed that it received on the same day a notice from a member of the Company's Supervisory Board, being a person having access to confidential information of AmRest, about a purchase of 337 AmRest shares on January 16th, 2015, at the average price of PLN 103.10 made by an entity closely related to that member. The transaction was executed at the Warsaw Stock Exchange.

On April 1st, 2015 AmRest informed that it received on March 31st, 2015 a notice from a person having access to confidential information of AmRest, about:
- sale of 578 AmRest shares on March 26th, 2015, at the average price of PLN 124.00 PLN,
- sale of 615 AmRest shares on March 27th, 2015, at the average price of PLN 123.65 PLN,
- sale of 1 807 AmRest shares on March 30th, 2015, at the average price of PLN 120.02 PLN,
- sale of 2 000 AmRest shares on March 31th, 2015, at the average price of PLN 124.65 PLN.

The above mentioned transactions were executed at the Warsaw Stock Exchange.

On April 3rd, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Supervisory Board, being a person having access to confidential information of AmRest, about a purchase of 10 000 AmRest shares on April 1st, 2015, at the price of PLN 24.00 per share. The transaction was executed outside the regulated marked, being execution of AmRest management options.

On April 8th, 2015 AmRest informed that it received on April 7th, 2015 a notice from a person having access to confidential information of AmRest, about:
- sale of 925 AmRest shares on April 1st, 2015, at the average price of PLN 124.00 PLN,
- sale of 2075 AmRest shares on April 2nd, 2015, at the average price of PLN 124.00 PLN,

The above mentioned transactions were executed at the Warsaw Stock Exchange.

On April 9th, 2015 AmRest informed that it received on April 8th, 2015 a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a purchase of 2 065 AmRest shares on April 2nd, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated marked.

On April 22nd, 2015 AmRest informed that it received on April 21st, 2015 a notice from a member of the Company's Supervisory Board, being a person having access to confidential information of AmRest, about a purchase of 56 450 AmRest shares on April 17th, 2015, at the price of PLN 83.43 per share. The transaction was executed outside the regulated marked, being execution of AmRest management options.

On May 27th, 2015 the Management Board of AmRest informed that on the same day it received a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, , about a sale of 4 767 AmRest shares on May 22nd, 2015, at the price of PLN 145.00. The settlement date was May 26th, 2015. The transaction was executed at the Warsaw Stock Exchange.

On May 28th, 2015 the Management Board of AmRest informed that on May 27th, 2015 it received a notice from a person having access to confidential information of AmRest, about an acquisition of 205 AmRest shares on May 26th, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated marked.

On May 28th, 2015 the Management Board of AmRest informed that on the same day it received a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a purchase of 6 382 AmRest shares on May 26th, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated marked.

On June 10th, 2015 the Management Board of AmRest informed that on June 9th, 2015 it received a notice from the Management Board member of AmRest subsidiary, being a person having access to confidential information of the Company, about a sale of 1 800 AmRest shares on June 8th, 2015, at the price of PLN 145.20 PLN per share. The transaction was executed at the Warsaw Stock Exchange.

On June 22nd, 2015 the Management Board of AmRest informed that on the same day it received a notice from the Company's Management Board, being a person having access to confidential information of AmRest, about a purchase of 27 AmRest shares on June 19th, 2015, at the price of PLN 142.75 PLN per share. The transaction was executed at the Warsaw Stock Exchange.

On July 8th, 2015 the Management Board of AmRest informed that on the same day it received a notice from a person having access to confidential information of AmRest about a sale of 256 AmRest shares on July 7th, 2015, at the price of PLN 147.40 PLN per share. The transaction was executed at the Warsaw Stock Exchange.

On July 14th, 2015 the Management Board of AmRest informed that on the same day it received a notice from a member of the Company's Supervisory Board, being a person having access to confidential information of AmRest, about a purchase of 26 883 AmRest shares on July 10th, 2015, at the price of PLN 83.43 per share. The transaction was executed outside the regulated marked, being execution of AmRest management options.

On August 18th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about:
- a sale of 4 382 AmRest shares on August 14th, 2015, at the average price of PLN 174.54,
- a sale of 508 AmRest shares on August 17th, 2015, at the price of PLN 174.14.
The transactions were executed at the Warsaw Stock Exchange.

On August 18th, 2015 AmRest also informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a sale of 258 AmRest shares on August 14th, 2015, at the price of PLN 177.00. The transaction was executed at the Warsaw Stock Exchange.

On August 24th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about:
- a sale of 263 AmRest shares on August 18th, 2015, at the average price of PLN 175.00,
- a sale of 195 AmRest shares on August 19th, 2015, at the average price of PLN 174.96,
- a sale of 644 AmRest shares on August 20th, 2015, at the average price of PLN 174.75,
- a sale of 1 764 AmRest shares on August 21st, 2015, at the average price of PLN 174.01,
The transactions were executed at the Warsaw Stock Exchange.

On August 26th, 2015 AmRest informed that it received on August 25th, 2015 a notice from a person having access to confidential information of AmRest about a purchase of 1 978 AmRest shares on August 24th, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated market.

On August 26th, 2015 AmRest also informed that it received on August 25th, 2015 a notice from a person having access to confidential information of AmRest about a sale of 1 978 AmRest shares on August 24th, 2015 at the average price of PLN 166.00 per share. The transaction was executed at the Warsaw Stock Exchange.

On August 27th, 2015 AmRest informed that it received on August 26th, 2015 a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about:
- a sale of 444 AmRest shares on August 20th, 2015, at the average price of PLN 172.30,
- a sale of 42 AmRest shares on August 20th, 2015, at the price of PLN 175.00.
The transactions were executed at the Warsaw Stock Exchange.

On September 1st, 2015 AmRest informed that it received on August 31th, 2015 a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a purchase of 4 640 AmRest shares on August 26th, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated market.

On September 4th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a sale of 297 AmRest shares on September 2nd, 2015, at the price of PLN 169.55. The transaction was executed at the Warsaw Stock Exchange.

On September 8th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a purchase of 12 458 AmRest shares on September 3rd, 2015. 12 454 shares were transferred free of charge as a result of exercising AmRest management options, 4 shares were transferred at the price of PLN 47.60 as a result of exercising AmRest management options. The transactions were executed outside the regulated marked.

On September 8th, 2015 AmRest also informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a sale of 48 AmRest shares on September 4th 2015, at the price of PLN 166.00. The transaction was executed at the Warsaw Stock Exchange.

On September 9th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about
- a sale of 215 AmRest shares at the price of PLN 165.00 on September 7th 2015
- sale of 4 080 AmRest shares at the price of PLN 165.00 on September 8th 2015.

The transactions were executed at the Warsaw Stock Exchange.
The transactions were executed at the Warsaw Stock Exchange.

On October 6th, 2015 AmRest informed that it received on October 5th, 2015 a notice from a member of the Company's Supervisory Board, being a person having access to confidential information of AmRest, about below transactions executed by the entity in which that person is a member of the supervisory body:
- a purchase of 1 344 AmRest shares on October 1st, 2015, at the price of PLN 166.27 per share.
- a sale of 1 344 AmRest shares on October 1st, 2015, at the price of PLN 166.32 per share.

The transactions were executed at the Warsaw Stock Exchange.

On October 13th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about:
- a sale of 5 AmRest shares at the average price of PLN 175.00 on October 7th 2015,
- a sale of 958 AmRest shares at the average price of PLN 176.00 on October 9th 2015,
- a sale of 13 AmRest shares at the average price of PLN 177.20 on October 12th 2015,
- a sale of 1 199 AmRest shares at the average price of PLN 177.15 on October 12th 2015.

The transactions were executed at the Warsaw Stock Exchange.

On October 29th, 2015 AmRest informed that it received on October 28th, 2015 a notice from a member of the Company's Supervisory Board, being a person having access to confidential information of AmRest, about below transactions executed by the entity in which that person is a member of the supervisory body:
- a purchase of 150 AmRest shares on October 23rd, 2015, at the price of PLN 181.00 per share.
- a sale of 150 AmRest shares on October 23rd, 2015, at the price of PLN 180.47 per share.

The transactions were executed at the Warsaw Stock Exchange.

On November 13th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about:
- a sale of 2 000 AmRest shares at the price of PLN 183.00 per share and 158 AmRest shares at the price of PLN 184.00 per share, executed on November 9th 2015,
- a sale of 1 000 AmRest shares at the price of PLN 186.30 per share, 1 000 AmRest shares at the price of PLN 187.00 per share and 323 AmRest shares at the price of PLN 187.80 per share, executed on November 10th 2015,
- a sale of 1 000 AmRest shares at the price of PLN 187.95 per share and 1 000 AmRest shares at the price of PLN 188.00 per share, executed on November 12th 2015.

The transactions were executed at the Warsaw Stock Exchange.

On December 5th, 2015 AmRest informed that it received on December 4th, 2015 a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a sale of 1 000 AmRest shares at the price of PLN 198.00 per share executed on November 30th 2015. The transaction was executed at the Warsaw Stock Exchange.

On December 10th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about:
- a sale of 16 AmRest shares at the price of PLN 197.00 per share executed on December 4th, 2015. The transaction was executed at the Warsaw Stock Exchange.
- a sale of 1 065 AmRest shares at the price of PLN 197.00 per share executed on December 7th, 2015. The transaction was executed at the Warsaw Stock Exchange.

- a purchase of 9 537 AmRest shares executed on December 8th, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated marked.
- a purchase of 99 AmRest shares at the price of PLN 83.43 per share executed on December 8th, 2015. The transaction was executed outside the regulated marked as a result of exercising AmRest management options.

On December 10th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a purchase of 10 000 AmRest shares at the price of PLN 83.43 per share on December 8th, 2015. The transaction was executed outside the regulated marked as a result of exercising AmRest management options.

On December 10th, 2015 AmRest informed also that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about:
- a purchase of 26 992 AmRest shares executed on December 8th, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated marked.
- a sale of 4 459 AmRest shares at the average price of PLN 195.24 per share executed on December 8th, 2015. The transaction was executed at the Warsaw Stock Exchange.
- a sale of 1 743 AmRest shares at the price of PLN 195.25 per share executed on December 9th, 2015. The transaction was executed at the Warsaw Stock Exchange.

On December 15th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a sale of 252 AmRest shares at the price of PLN 194.00 per share executed on December 10th, 2015. The transaction was executed at the Warsaw Stock Exchange.

On December 18th, 2015 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a purchase of 24 698 AmRest shares on December 14th, 2015. The shares were transferred free of charge as a result of exercising AmRest management options. The transaction was executed outside the regulated marked.

On January 8th, 2016 AmRest informed that it was notified on the same day by a member of the Company's Supervisory Board ("Supervisory Board Member"), being a person having access to confidential information of AmRest, that on January 5th, 2016 the entity controlled by a person closely related to the Supervisory Board Member (the "Company A") contributed 404 000 shares of the Issuer as capital to its 100% subsidiary (the "Company B"). The value of one share was established at PLN 188.20. The transaction was executed outside the regulated market in Luxembourg.
On the same day, January 5th, 2016, the Company B contributed 404 000 shares of AmRest as capital to its subsidiary (the "Company C"). The value of one share was established at PLN 188.20. The transaction was executed outside the regulated market in Luxembourg.
As a result of above mentioned transactions, the Company C, being the indirect subsidiary of the Company A, which is directly controlled by a person closely related to the Supervisory Board Member, became an owner of 404 000 shares of the Issuer.

On January 11th, 2016 AmRest informed that it was notified on the same day by a member of the Company's Supervisory Board ("Supervisory Board Member"), being a person having access to confidential information of AmRest, that on January 5th, 2016 the entity in which a person closely related to the Supervisory Board Member holds the managing function (the "Entity") came into possession of 404 000 shares of the Issuer. The shares were contributed to the Entity as capital. The value of one share was established at PLN 188.20. The transaction was executed outside the regulated market in Luxembourg.

On January 14th, 2016 AmRest informed that it received on the same day a notice from a member of the Company's Management Board, being a person having access to confidential information of AmRest, about a sale of 1 258 AmRest shares at the average price of PLN 181.38 per share executed on January 8th, 2016. The transaction was executed at the Warsaw Stock Exchange.

Transactions on AmRest shares concluded for the purpose of executing the stock option plan

The Company started the buyback based on Resolution No. 16 of the Annual General Meeting of AmRest of 10th June 2011 on the authorization of Company's Management Board to acquire Company's own shares and the establishment of a reserve capital for the acquisition of own shares.

TABLE 3. TRANSACTIONS ON AMREST SHARES EXECUTED BY AMREST FROM JANUARY 1ST, 2015 TO THE DATE OF SUBMITTING THIS REPORT (MARCH 11TH, 2016)

conclusion date	settlement date	purchase /disposal	number of purchased/ disposed shares	average purchase/ disposal price per share	nominal value of shares [EUR]	% of the share capital of the Company	number of votes at GSM	total number of shares	total number of votes at GSM	% of the total number of votes in the Company
07.01.2015	07.01.2015	D	561	0.00	0.01	0.0026%	561	36788	36788	0.1734%
07.01.2015	09.01.2015	P	1410	100.24	0.01	0.0066%	1410	38198	38198	0.1801%
08.01.2015	08.01.2015	D	240	70.00	0.01	0.0025%	524	37674	37674	0.1776%
			100	78.00	0.01					
			100	81.00	0.01					
			84	0.00	0.01					
08.01.2015	12.01.2015	P	1500	104.11	0.01	0.0071%	1500	39174	39174	0.1847%
09.01.2015	13.01.2015	P	1500	104.94	0.01	0.0071%	1500	40674	40674	0.1917%
12.01.2015	14.01.2015	P	2000	104.82	0.01	0.0094%	2000	42674	42674	0.2012%
13.01.2015	15.01.2015	P	1354	102.57	0.01	0.0064%	1354	44028	44028	0.2075%
08.01.2015	08.01.2015	D	80	81.00	0.01	0.0014%	304	43724	43724	0.2061%
			224	0.00	0.01					
14.01.2015	14.01.2015	D	382	70.00	0.01	0.0064%	1352	42372	42372	0.1997%
			570	78.00	0.01					
			100	81.00	0.01					
			300	86.00	0.01					
14.01.2015	16.01.2015	P	329	102.48	0.01	0.0016%	329	42701	42701	0.2013%
15.01.2015	19.01.2015	P	2907	103.00	0.01	0.0137%	2907	45608	45608	0.2150%
18.03.2015	20.03.2015	P	600	118.10	0.01	0.0028%	600	46208	46208	0.2178%
19.03.2015	23.03.2015	P	600	117.86	0.01	0.0028%	600	46808	46808	0.2206%
20.03.2015	24.03.2015	P	2000	120.00	0.01	0.0094%	2000	48808	48808	0.2301%
23.03.2015	25.03.2015	P	2292	123.50	0.01	0.0108%	2292	51100	51100	0.2409%
24.03.2015	26.03.2015	P	2353	124.02	0.01	0.0111%	2353	53453	53453	0.2520%
25.03.2015	27.03.2015	P	2390	124.00	0.01	0.0113%	2390	55843	55843	0.2632%
26.03.2015	30.03.2015	P	244	123.77	0.01	0.0012%	244	56087	56087	0.2644%
27.03.2015	31.03.2015	P	3751	124.00	0.01	0.0177%	3751	59838	59838	0.2821%
30.03.2015	30.03.2015	D	1029	0.00	0.01	0.0049%	1029	58809	58809	0.2772%
30.03.2015	01.04.2015	P	19	121.45	0.01	0.0001%	19	58828	58828	0.2773%
31.03.2015	02.04.2015	P	3857	124.65	0.01	0.0182%	3857	62685	62685	0.2955%
01.04.2015	01.04.2015	D	1089	0.00	0.01	0.0523%	11089	51596	51596	0.2432%
			10000	24.00	0.01					
01.04.2015	07.04.2015	P	3817	123.80	0.01	0.0180%	3817	55413	55413	0.2612%
02.04.2015	02.04.2015	D	3034	0.00	0.01	0.0143%	3034	52379	52379	0.2469%
02.04.2015	08.04.2015	P	3837	124.00	0.01	0.0181%	3837	56216	56216	0.2650%
07.04.2015	09.04.2015	P	1470	123.78	0.01	0.0069%	1470	57686	57686	0.2719%
08.04.2015	10.04.2015	P	5127	123.80	0.01	0.0242%	5127	62813	62813	0.2961%
09.04.2015	09.04.2015	D	3120	0.00	0.01	0.0196%	4150	58663	58663	0.2765%
			880	70.00	0.01					
			150	81.00	0.01					
09.04.2015	13.04.2015	P	4100	125.00	0.01	0.0193%	4100	62763	62763	0.2959%
10.04.2015	10.04.2015	D	478	0.00	0.01	0.0023%	478	62285	62285	0.2936%
10.04.2015	14.04.2015	P	1273	125.30	0.01	0.0060%	1273	63558	63558	0.2996%
13.04.2015	13.04.2015	D	1120	70.00	0.01	0.0053%	1120	62438	62438	0.2943%
14.04.2015	16.04.2015	P	4000	123.95	0.01	0.0189%	4000	66438	66438	0.3132%

conclusion date	settlement date	purchase /disposal	number of purchased/ disposed shares	average purchase/ disposal price per share	nominal value of shares [EUR]	% of the share capital of the Company	number of votes at GSM	total number of shares	total number of votes at GSM	% of the total number of votes in the Company
15.04.2015	17.04.2015	P	4000	123.95	0.01	0.0189%	4000	70438	70438	0.3320%
16.04.2015	20.04.2015	P	4000	124.59	0.01	0.0189%	4000	74438	74438	0.3509%
17.04.2015	17.04.2015	D	291	0.00	0.01	0.2716%	57611	16827	16827	0.0793%
			560	48.40	0.01					
			20	70.00	0.01					
			180	78.00	0.01					
			110	81.00	0.01					
			56450	83.43	0.01					
21.04.2015	21.04.2015	D	407	0.00	0.01	0.0121%	2559	14268	14268	0.0673%
			442	70.00	0.01					
			450	78.00	0.01					
			260	81.00	0.01					
			1000	86.00	0.01					
22.04.2015	22.04.2015	D	280	70.00	0.01	0.0025%	520	13748	13748	0.0648%
			240	78.00	0.01					
23.04.2015	23.04.2015	D	1286	0.00	0.01	0.0061%	1286	12462	12462	0.0587%
12.05.2015	14.05.2015	P	5000	141.40	0.01	0.0236%	5000	17462	17462	0.0823%
13.05.2015	15.05.2015	P	5000	143.50	0.01	0.0236%	5000	22462	22462	0.1059%
14.05.2015	18.05.2015	P	6000	142.69	0.01	0.0283%	6000	28462	28462	0.1342%
15.05.2015	19.05.2015	P	6500	144.48	0.01	0.0306%	6500	34962	34962	0.1648%
18.05.2015	20.05.2015	P	5100	144.00	0.01	0.0240%	5100	40062	40062	0.1888%
19.05.2015	21.05.2015	P	5000	144.20	0.01	0.0236%	5000	45062	45062	0.2124%
20.05.2015	22.05.2015	P	5000	144.15	0.01	0.0236%	5000	50062	50062	0.2360%
21.05.2015	25.05.2015	P	5175	144.30	0.01	0.0244%	5175	55237	55237	0.2604%
22.05.2015	26.05.2015	P	5500	145.00	0.01	0.0259%	5500	60737	60737	0.2863%
25.05.2015	27.05.2015	P	611	144.30	0.01	0.0029%	611	61348	61348	0.2892%
26.05.2015	26.05.2015	D	9002	0.00	0.01	0.0424%	9002	52346	52346	0.2468%
26.05.2015	28.05.2015	P	5668	144.99	0.01	0.0267%	5668	58014	58014	0.2735%
27.05.2015	29.05.2015	P	350	147.50	0.01	0.0016%	350	58364	58364	0.2751%
28.05.2015	01.06.2015	P	6293	148.44	0.01	0.0297%	6293	64657	64657	0.3048%
29.05.2015	02.06.2015	P	5000	148.20	0.01	0.0236%	5000	69657	69657	0.3284%
01.06.2015	03.06.2015	P	5193	148.45	0.01	0.0245%	5193	74850	74850	0.3528%
02.06.2015	05.06.2015	P	5600	150.50	0.01	0.0264%	5600	80450	80450	0.3792%
03.06.2015	08.06.2015	P	5151	149.76	0.01	0.0243%	5151	85601	85601	0.4035%
05.06.2015	09.06.2015	P	5000	150.00	0.01	0.0236%	5000	90601	90601	0.4271%
05.06.2015	05.06.2015	D	280	70.00	0.01	0.0060%	1279	89322	89322	0.4211%
			80	81.00	0.01					
			80	81.82	0.01					
			839	0.00	0.01					
08.06.2015	10.06.2015	P	3696	146.52	0.01	0.0174%	3696	93018	93018	0.4385%
09.06.2015	11.06.2015	P	5000	149.45	0.01	0.0236%	5000	98018	98018	0.4620%
10.06.2015	12.06.2015	P	5000	149.45	0.01	0.0236%	5000	103018	103018	0.4856%
26.05.2015	26.05.2015	D	411	0.00	0.01	0.0019%	411	102605	102605	0.4837%
11.06.2015	15.06.2015	P	5500	144.67	0.01	0.0259%	5500	108 105	108105	0.5096%
12.06.2015	12.06.2015	D	500	47.60	0.01	0.0117%	2487	105 618	105618	0.4979%
			140	70.00	0.01					
			100	81.00	0.01					
			120	81.82	0.01					
			1627	0.00	0.01					
12.06.2015	16.06.2015	P	1000	143.40	0.01	0.0047%	1000	106 618	106 618	0.5026%
15.06.2015	17.06.2015	P	2 000	140.75	0.01	0.0094%	2000	108 618	108 618	0.5120%
16.06.2015	18.06.2015	P	5 000	144.00	0.01	0.0236%	5000	113 618	113 618	0.5356%
17.06.2015	19.06.2015	P	600	144.00	0.01	0.0028%	600	114 218	114 218	0.5384%
18.06.2015	22.06.2015	P	5 000	142.07	0.01	0.0236%	5000	119 218	119 218	0.5620%

conclusion date	settlement date	purchase /disposal	number of purchased/ disposed shares	average purchase/ disposal price per share	nominal value of shares [EUR]	% of the share capital of the Company	number of votes at GSM	total number of shares	total number of votes at GSM	% of the total number of votes in the Company
19.06.2015	23.06.2015	P	3 297	140.56	0.01	0.0155%	3297	122 515	122 515	0.5775%
22.06.2015	24.06.2015	P	224	143.95	0.01	0.0011%	224	122 739	122 739	0.5786%
22.06.2015	22.06.2015	D	200	70.00	0.01	0.0032%	669	122 070	122 070	0.5754%
			110	81.00	0.01					
			120	81.82	0.01					
			239	0.00	0.01					
23.06.2015	25.06.2015	P	3 000	148.15	0.01	0.0141%	3000	125 070	125 070	0.5896%
24.06.2015	26.06.2015	P	3 000	149.15	0.01	0.0141%	3000	128 070	128 070	0.6037%
25.06.2015	29.06.2015	P	3 006	148.00	0.01	0.0142%	3006	131 076	131 076	0.6179%
26.06.2015	30.06.2015	P	1 785	146.00	0.01	0.0084%	1785	132 861	132 861	0.6263%
29.06.2015	01.07.2015	P	3 145	146.00	0.01	0.0148%	3145	136 006	136 006	0.6411%
30.06.2015	02.07.2015	P	3 081	145.44	0.01	0.0145%	3081	139 087	139 087	0.6556%
01.07.2015	01.07.2015	D	1 100	47.60	0.01	0.0179%	3 790	135 297	135 297	0.6378%
			2 240	70.00	0.01					
			50	81.00	0.01					
			400	86.00	0.01					
02.07.2015	06.07.2015	P	2 867	148.35	0.01	0.0135%	2867	138 164	138 164	0.6513%
03.07.2015	07.07.2015	P	2 835	150.44	0.01	0.0134%	2835	140 999	140 999	0.6647%
06.07.2015	08.07.2015	P	415	146.93	0.01	0.0020%	415	141 414	141 414	0.6666%
07.07.2015	09.07.2015	P	3 000	147.79	0.01	0.0141%	3000	144 414	144 414	0.6808%
08.07.2015	10.07.2015	P	2 800	148.00	0.01	0.0132%	2800	147 214	147 214	0.6940%
09.07.2015	09.07.2015	D	171	0.00	0.01	0.0008%	171	147 043	147 043	0.6931%
09.07.2015	13.07.2015	P	1 992	145.50	0.01	0.0094%	1992	149 035	149 035	0.7025%
10.07.2015	10.07.2015	D	26 883	83.43	0.01	0.1267%	26883	122 152	122 152	0.5758%
10.07.2015	14.07.2015	P	87	149.76	0.01	0.0004%	87	122 239	122 239	0.5762%
24.08.2015	24.08.2015	D	1 978	0.00	0.01	0.0093%	1978	120 261	120 261	0.5669%
26.08.2015	26.08.2015	D	6 033	0.00	0.01	0.0284%	6033	114 228	114 228	0.5385%
27.08.2015	27.08.2015	D	22	0.00	0.01	0.0001%	22	114 206	114 206	0.5384%
28.08.2015	28.08.2015	D	7 382	0.00	0.01	0.0348%	7382	106 824	106 824	0.5036%
02.09.2015	02.09.2015	D	344	0.00	0.01	0.0016%	344	106 480	106 480	0.5019%
03.09.2015	03.09.2015	D	12 774	0.00	0.01	0.0621%	13 178	93 302	93302	0.4398%
			4	47.60	0.01					
			400	78.00	0.01					
08.09.2015	08.09.2015	D	240	70.00	0.01	0.0027%	568	92 734	92734	0.4371%
			240	81.00	0.01					
			88	81.82	0.01					
11.09.2015	11.09.2015	D	60	78.00	0.01	0.0029%	611	92 123	92123	0.4343%
			80	81.00	0.01					
			471	0.00	0.01					
14.09.2015	14.09.2015	D	3 306	0.00	0.01	0.0156%	3306	88 817	88 817	0.4187%
15.09.2015	15.09.2015	D	54	0.00	0.01	0.0003%	54	88 763	88 763	0.4184%
23.09.2015	23.09.2015	D	200	78.00	0.01	0.0009%	200	88 563	88 563	0.4175%
28.09.2015	28.09.2015	D	1272	0.00	0.01	0.0065%	1372	87 191	87 191	0.4110%
			100	81.00	0.01					
29.09.2015	29.09.2015	D	800	78.00	0.01	0.0098%	2 080	85 111	85 111	0.4012%
			120	81.00	0.01					
			60	81.82	0.01					
			1 100	86.00	0.01					
08.10.2015	12.10.2015	P	2 500	173.87	0.01	0.0118%	2500	87 611	87 611	0.4130%
09.10.2015	13.10.2015	P	2 500	175.98	0.01	0.0118%	2500	90 111	90 111	0.4248%
12.10.2015	14.10.2015	P	2 500	177.16	0.01	0.0118%	2500	92 611	92 611	0.4366%
13.10.2015	15.10.2015	P	2 300	177.23	0.01	0.0108%	2300	94 911	94 911	0.4474%
14.10.2015	16.10.2015	P	2 427	173.66	0.01	0.0114%	2427	97 338	97 338	0.4588%
15.10.2015	19.10.2015	P	2 000	173.70	0.01	0.0094%	2000	99 338	99 338	0.4683%

conclusion date	settlement date	purchase /disposal	number of purchased/ disposed shares	average purchase/ disposal price per share	nominal value of shares [EUR]	% of the share capital of the Company	number of votes at GSM	total number of shares	total number of votes at GSM	% of the total number of votes in the Company
16.10.2015	20.10.2015	P	1 000	175.08	0.01	0.0047%	1000	100 338	100 338	0.4730%
19.10.2015	21.10.2015	P	2 650	176.30	0.01	0.0125%	2650	102 988	102 988	0.4855%
20.10.2015	22.10.2015	P	1 409	177.04	0.01	0.0066%	1409	104 397	104 397	0.4921%
22.10.2015	22.10.2015	D	282	0.00	0.01	0.0013%	282	104 115	104 115	0.4908%
22.10.2015	26.10.2015	P	737	179.26	0.01	0.0035%	737	104 852	104 852	0.4943%
06.11.2015	10.11.2015	P	1 210	180.86	0.01	0.0057%	1210	106 062	106 062	0.5000%
09.11.2015	12.11.2015	P	2 300	183.33	0.01	0.0108%	2300	108 362	108 362	0.5108%
10.11.2015	13.11.2015	P	1 746	186.76	0.01	0.0082%	1746	110 108	110 108	0.5190%
12.11.2015	16.11.2015	P	2 200	187.81	0.01	0.0104%	2200	112 308	112 308	0.5294%
13.11.2015	17.11.2015	P	4 000	192.41	0.01	0.0189%	4000	116 308	116 308	0.5483%
16.11.2015	18.11.2015	P	4 100	191.00	0.01	0.0193%	4100	120 408	120 408	0.5676%
17.11.2015	19.11.2015	P	3 700	188.20	0.01	0.0174%	3700	124 108	124 108	0.5850%
18.11.2015	20.11.2015	P	4 000	189.22	0.01	0.0189%	4000	128 108	128 108	0.6039%
19.11.2015	23.11.2015	P	4 000	187.79	0.01	0.0189%	4000	132 108	132 108	0.6227%
20.11.2015	24.11.2015	P	3 304	189.97	0.01	0.0156%	3304	135 412	135 412	0.6383%
23.11.2015	25.11.2015	P	4 252	193.78	0.01	0.0200%	4252	139 664	139 664	0.6584%
24.11.2015	26.11.2015	P	4 064	193.81	0.01	0.0192%	4064	143 728	143 728	0.6775%
25.11.2015	27.11.2015	P	1 684	192.15	0.01	0.0079%	1684	145 412	145 412	0.6855%
26.11.2015	30.11.2015	P	4 250	192.42	0.01	0.0200%	4250	149 662	149 662	0.7055%
27.11.2015	01.12.2015	P	5 000	192.94	0.01	0.0236%	5000	154 662	154 662	0.7291%
30.11.2015	02.12.2015	P	6 000	197.54	0.01	0.0283%	6000	160 662	160 662	0.7573%
01.12.2015	03.12.2015	P	1 250	199.86	0.01	0.0059%	1250	161 912	161 912	0.7632%
03.12.2015	07.12.2015	P	5 000	198.03	0.01	0.0236%	5000	166 912	166 912	0.7868%
04.12.2015	08.12.2015	P	4 581	196.50	0.01	0.0216%	4581	171 493	171 493	0.8084%
07.12.2015	09.12.2015	P	4 156	195.99	0.01	0.0196%	4156	175 649	175 649	0.8280%
08.12.2015	08.12.2015	D	36 529	0.00	0.01	0.2198%	46 628	129 021	129 021	0.6082%
			10 099	83.43	0.01					
08.12.2015	10.12.2015	P	3 263	195.88	0.01	0.0154%	3263	132 284	132 284	0.6236%
10.12.2015	14.12.2015	P	3 691	190.76	0.01	0.0174%	3691	135 975	135 975	0.6410%
11.12.2015	15.12.2015	P	3 500	190.79	0.01	0.0165%	3500	139 475	139 475	0.6575%
14.12.2015	14.12.2015	D	24 698	0.00	0.01	0.1164%	24 698	114 777	114 777	0.5410%
14.12.2015	16.12.2015	P	3 000	188.90	0.01	0.0141%	3000	117 777	117 777	0.5552%
18.12.2015	18.12.2015	D	160	81.00	0.01	0.0015%	310	117 467	117 467	0.5537%
			150	81.82	0.01					
22.12.2015	22.12.2015	D	3 418	0.00	0.01	0.0161%	3 418	114 049	114 049	0.5376%
23.12.2015	23.12.2015	D	168	0.00	0.01	0.0008%	168	113 881	113 881	0.5368%
07.01.2016	07.01.2016	D	903	0.00	0.01	0.0070%	1 493	112 388	112 388	0.5298%
			90	47.60	0.01					
			200	70.00	0.01					
			300	78.00	0.01					
08.01.2016	08.01.2016	D	439	0.00	0.01	0.0197%	4 169	108 219	108 219	0.5101%
			2 110	70.00	0.01					
			460	78.00	0.01					
			930	81.00	0.01					
			230	81.82	0.01					

In the period between January 1st, 2015 and the day of publication of this report AmRest purchased a total of 319 475 own shares for a total price of PLN 49 571 585.62. During the same period, the Company disposed a total of 248 605 own shares to entitled participants of the stock options plans.

Other information on shareholding

The Management Board of AmRest is not in possession of the information concerning holders of securities giving special rights of control in relation to the Company.

Appendix No. 2: The functioning of the general meeting, its basic entitlements, the rights of shareholders and the manner of exercising these rights and entitlements

The functioning of the general meeting, its basic entitlements, the rights of shareholders and the manner of exercising these rights and entitlements, in particular the rules stipulated in the GM regulations, are described in detail in the Company’s Statute and the Regulations of AmRest General Shareholders Meeting. Both documents are available at the Company’s website.

Appendix No. 3: Description of amendments to the Articles of Association of the Issuer

Amendments' to the Statutes of the issuer require a resolution of the General Meeting adopted by three-fourths majority. Legal basis: Art. 415 § 1 and 430 § 1 of the Commercial Companies Code, in connection with art. 9 and art. 53 Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE).

Appendix No 4: Principles concerning appointment and dismissal of managers

Principles concerning appointment and dismissal of managers and their entitlements are regulated in the Company's Statute.

Pursuant to §7 section 3 of the Statute of AmRest, Members of the Management Board are appointed by the Supervisory Board.

The entitlements of the Management Board to take the decision on issue of shares are also described in §4 of the Statute of the Company:

- *The Management Board may issue shares in exchange for cash or in-kind contributions.*
- *The increase of share capital within the boundaries of authorized capital shall be carried only for the purposes of the exercise of stock options granted under any incentive management stock option plan to employees, including members of the Management Board of the Company or its subsidiaries, previously approved by the General Meeting or the Supervisory Board before June 1, 2010. Resolutions of the Management Board on the setting of issue price, or issuing the shares in exchange for contribution in kind do not require the consent of the Supervisory Board.*
- *Within the boundaries of the authorised share capital, the Management Board shall be authorised to deprive, whether in full or in part, of the pre-emptive right to shares upon the consent of the Supervisory Board. The consent referred to in the first sentence shall be given in a resolution adopted by a majority of four fifths of the votes of the Supervisory Board members.*

Appendix No. 5: Changes in the basic principles of the issuer's and its capital group's management

In 2015 there were no changes in the basic principles of AmRest Group management.

Appendix No. 6: Remuneration of Management and Supervisory Board Members

TABLE 4. REMUNERATION OF THE SUPERVISORY BOARD MEMBERS FOR 2015

Member of the Supervisory Board	Period of serving in the Supervisory Board	Remuneration for sitting on the Supervisory Board	Income from other contracts	Other benefits	Total income for the 12 months ended 31 December 2015
Raimondo Eggink	1.01 - 31.12.15	94 091	-	-	94 091
Henry McGovern	1.01 - 31.12.15	188 000	3 151 796	-	3 339 796
José Parés Gutiérrez [1]	21.09 - 31.12.15	-	-	-	-
Luis Miguel Álvarez [1]	21.09 - 31.12.15	-	-	-	-
Steven Kent Winegar Clark	20.10 - 31.12.15	-	-	69 732	69 732
Krzysztof A. Rozen	21.09 - 31.12.15	37 000	-	-	37 000
Zofia Dzik	21.09 - 31.12.15	37 000	-	-	37 000
Łukasz Rozdeiczer-Kryszkowski	20.10 - 31.12.15	19 864	-	-	19 864
Amr Kromfol [1]	1.01 - 18.08.15	-	-	-	-
Joseph P. Landy [1]	1.01 - 18.08.15	-	-	-	-
Per Steen Breimyr	1.01 - 12.08.15	56 000	-	-	56 000
Peter A. Bassi	1.01 - 12.08.15	233 800	-	-	233 800
Bradley D. Blum	1.01 - 21.09.15	178 493	-	-	178 493
Razem		844 284	3 151 796	69 733	**4 065 778**

[1] Voluntary resignation from the remuneration

TABLE 5. REMUNERATION OF THE MANAGEMENT BOARD MEMBERS FOR 2015

Management Board Member	Period of serving in the Management Board in 2015	Remuneration	Annual bonus, sector rewards	Income earned in subsidiaries and associates	Benefits, other income	Total income for 2015
Wojciech Mroczyński	1.01 - 31.12.15	1 040 548	260 137	1 300 685	15 465	1 316 149
Mark Chandler	1.01 - 31.12.15	1 402 477	350 619	1 753 097	10 668	1 763 765
Drew O'Malley	1.01 - 31.12.15	989 583	247 396	1 236 979	26 316	1 263 295
Jacek Trybuchowski	1.01 - 31.12.15	942 525	117 816	1 060 341	19 673	1 080 013
Oksana Staniszewska [1]	8.12 -31-12.15	53 000	10 600	63 600	12 720	76 320
Olgierd Danielewicz [1]	8.12 -31-12.15	45 000	9 000	54 000	932	54 932
Razem		**4 473 133**	**995 568**	**5 468 701**	**85 773**	**5 554 473**

* Remuneration for the period of service at the Management Board

Changes in the number of options for AmRest shares owned by members of management and supervisory bodies of AmRest in 2015, based on the Company's information are presented below.

TABLE 6. NUMBER OF OPTIONS FOR AMREST SHARES OWNED BY MEMBERS OF THE COMPANY MANAGEMENT AND SUPERVISORY BODIES IN 2015

Name and surname	Function*	Number of share options as at 31/12/2014	Number of share options granted in 2015	Number of share options executed in 2015	Number of share options as at 31/12/2015	Number of vested options	Fair value of all options at the grant date (PLN'000)
Henry McGovern	S	320 000	-	93 334	226 666	143 332	7 537
Wojciech Mroczyński	M	130 250	-	56 917	73 333	36 667	2 286
Mark Chandler	M	127 000	-	47 000	80 000	40 000	1 886
Drew O'Malley	M	156 500	-	63 166	93 334	46 667	2 360
Jacek Trybuchowski	M	168 850	-	62 184	106 666	53 332	2 802
Oksana Staniszewska	M	3 920	3 500	-	7 420	-	591
Olgierd Danielewicz	M	40 450	10 000	-	50 450	32 117	2 715

* (M) member of management body, (S) member of the supervisory body

For more information on the option scheme see Note 19 to the consolidated financial statements.

Appendix No. 7: The Audit Committee of AmRest – its functioning, composition and changes that occurred during the last financial year

In 2015 there were following changes in the composition of the Audit Committee:

On August 12th, 2015 the Extraordinary General Meeting of AmRest adopted a resolution revoking Mr. Per Steen Breimyr from the Supervisory Board and thus the Audit Committee.

On August 18th, 2015 Mr. Amr Kronfol resigned from the position of the Supervisory Board member and thus the Audit Committee member.

On September 29th, 2015 the Supervisory Board appointed three members of the Supervisory Board - Mr. Steven Kent Winegar Clark, Mr. Raimondo Eggink and Mrs. Zofia Dzik as members of the Audit Committee.

On December 8th, 2015 the Supervisory Board appointed a member of the Supervisory Board, Mr. Łukasz Rozdeiczer-Kryszkowski as a member of the Audit Committee.

At the end of 2015, the Audit Committee comprised the following members of AmRest Supervisory Board:

- Steven Kent Winegar Clark
- Raimondo Eggink
- Zofia Dzik
- Łukasz Rozdeiczer-Kryszkowski

As at the date of publication of this report, the above list reflects the current composition of the Audit Committee of AmRest.

The Audit Committee's tasks:

The Audit Committee's tasks are advising the Supervisory Board on matters regarding the proper implementation of the principles of budget and financial reporting and the Company's and its Capital Group internal audit (within the meaning of the provisions on accounting) as well as cooperation with the Company's authorized auditors. In particular, the Audit Committee's tasks are the following:

(A) monitoring the work of the Company's authorized auditors as well as giving to the Supervisory Board recommendations on the selection and remuneration of authorized auditors;

(B) discussing, before the beginning of each annual financial statement audit, with the Company's authorized auditors the nature and scope of the audit as well as monitoring the coordination of work between the Company's authorized auditors;

(C) reviewing the Company's periodic and annual financial statements (stand alone and consolidated), in particular concentrating attention on the following:

- any changes in booking standards, principles and practices;

- main issues being reviewed;

- substantial adjustments resulting from the audit;

- statements on continuation of operation;

- accuracy with the binding law on book keeping;

(D) discussing any problems or reservations which may arise from the audit of financial statements;

(E) analyzing the Company's authorized auditor's letters to the Management Board, analyzing the independence and objectivity of the accomplished audit and the Management Board responses;

(F) reviewing management accountancy systems;

(G) reviewing the AmRest’s capital group annual report and internal audit system, including the mechanics of financial, operational, managerial checks, checks on compliance with regulations, and risk assessment;

(H) analyzing the internal auditors’ reports and internal analysts’ main observations, the Management Board responses to these observations; checking the internal auditors’ level of independence and giving opinions on the Management Board’s plans regarding the employment and dismissal of the head of the internal audit department;

(I) annual review of the internal audit schedule, internal and external auditors work coordination, and inspection of the internal auditors’ work conditions;

(J) cooperation with the Company’s departments, responsible for audit and checking, as well as periodic assessment of their work;

(K) consideration of any other matters regarding the Company’s audit, highlighted by the committee or the Supervisory Board;

(L) informing the Supervisory Board of any significant issues regarding the activities of the Audit Committee.

Appendix No. 8: Information on the control system for employee share programmes

Employee share option plan 1

Until 27 April 2005, the AmRest Group had a Share in Profits Scheme in place under which the entitled employees received units with a value constituting a multiple of the profit for a given financial year, adjusted for factors regulated by the Scheme's rules. In accordance with the Scheme's rules, on completing the process of admitting the shares of AmRest Holdings SE to public trading on the Warsaw Stock Exchange, the Company was obliged to pay out to its employees the amount of the units vested as at the date of admitting its shares to public trading.

The Share in Profits Scheme was dissolved as of 27 April 2005. Some of the issued units which were already payable as at at 27 April 2005 were settled by the Company. The liabilities arising from the remaining issued units which were not yet payable and units which were already payable but not yet settled as at that date – were taken over by the Company's shareholder ARC and were settled in full by that entity in 2012.

Employee share option plan 2

In April 2005, the Company announced the rules of the Stock Option Plan to its employees. The scheme enabled the employees of the AmRest Group to purchase shares in AmRest Holdings SE. The total number of shares to which options could be issued was determined by the Management Board. However, it could not exceed 3% of all the shares in trading. Additionally, in accordance with the provisions of the Option Plan, the circle of employees entitled to participate in the Option Plan, the number of granted options and the dates of granting them were subject to approval by the Management Board. The options' execution price was equal to the market price of the Company's shares as of the date of granting the options, and the vesting period was from 3 to 5 years. The options could be executed within 10 years from the date of their being granted.

In January 2010, the Supervisory Board of the Group's parent passed a resolution confirming and systematizing the total number of shares to which options could be issued, in an amount that could not exceed 3% of all the shares in trading.

In June 2011, the Supervisory Board of the Group's parent passed a resolution amending the previous provisions concerning the number of shares transferred for potential purchase by employees through the execution of options. The number was limited to 100,000 a year.

In November 2014, Supervisory Board of Group parent entity approved and changed wording of regulations by adding net cash settlement of option value.

Employee share option plan 3

In December 2011, the Group introduced another employee share option plan (Management Incentive Plan, MIP) settled with shares, having a selected group of employees in mind. The total number of shares to which the options can be issued is determined by the Management Board. However it cannot exceed 1,041,000 shares. In accordance with the MIP's provisions, the Supervisory Board, at the request of the Management Board, has the right to specify, apart from other issues, which employees shall be entitled to participate in the MIP, and the number of options awarded and the date of their being awarded. The options' execution price shall in principle be equal to the market price of the Company's shares as of the date preceding the date of granting the options, and the vesting period shall be 3 years. The options' execution price will increase annually by 11%.

The Management Incentive Plan was approved by the Company's Management Board and the General Shareholders' Meeting.

The above-mentioned plans are incentive schemes and are addressed solely to the employees and management of the AmRest Group companies.

Detailed information on the valuations and accounting treatment of the above-mentioned schemes is provided in Note 19 to the consolidated financial statements.

Appendix No. 9: Composition of the Holding

The current composition of the AmRest Group is presented in Note 1a to the Consolidated Annual Financial Statements as at and for the year ended December 31st, 2015. The changes in the composition of the Group during the said period are presented below.

On January 1st, 2015 Olbea s.r.o. was merged with AmRest Coffee s.r.o.

On January 30th, 2015 AmRest Holdings SE increased amount of shares held in Blue Horizon Hospitality Group PTE Ltd to 62,95% (previously 60,18%).

On of March 6th, 2015 AmRest Services Sp. z o.o. was liquidated. On this day company was removed from national register of entrepreneurs.

On June 9th, 2015 the Maltese branches of La Tagliatella Financing Kft. and La Tagliatella International Kft. had been liquidated.

On of June 24th, 2015 AmRest Sp. z o.o. acquired 100% of shares in S.C. Marinopoulos Coffee Company III S.r.l. On June 30th, 2015 name of acquired company was changed and registered as AmRest Coffee S.r.l.

On June 24th, 2015 AmRest Sp. z o.o. acquired 100% of shares in Marinopoulos Coffee Company Bulgaria EOOD. On July 6th, 2015 name of acquired company was changed and registered as AmRest Coffee EOOD.

On July 13th, 2015 AmRest Holdings SE decreased amount of shares held in Blue Horizon Hospitality Group PTE Ltd to 62,33% (previously 62,95%).

On July 21st, 2015 the American branches of La Tagliatella Financing Kft. and La Tagliatella International Kft. had been liquidated.

On July 29th, 2015 La Tagliatella LLC was dissolved.

On October 20th, 2015 La Tagliatella Seneca Meadows LLC has been dissolved, on October 21st, 2015 La Tagliatella The Promenade LLC has been dissolved.

On November 30th, 2015 AmRest Holdings SE increased amount of shares held in AmRest HK Ltd to 100% (previously 83%). AmRest Holdings SE is sole owner of AmRest HK Ltd.

On December 15th, 2015 AmRest SK s.r.o. was registered.

AmRest Holdings SE has its seat in Wroclaw, Poland. Currently, the restaurants run by the Group are located in Poland, the Czech Republic, Hungary, Russia, Romania, Serbia, Bulgaria, Croatia, Spain, France, Germany, China and the United States.

Appendix No. 10: Loans and borrowings

The summary of all loans granted to related entities in 2015 is presented in the table below.

TABLE 7. LOANS GRANTED TO RELATED ENTITIES IN 2015

Lender	Borrower	Agreement date	Final repayment date	Loan amount [k]	Loan currency	Reference rate	Margin
AmRest Holdings SE	BHHG	23.03.2015	23.03.2016	844	USD	N/A	5.5%
AmRest Capital Zrt	AmRest TAG S.L.U	03.07.2015*	10.07.2020	2 000	EUR	3M EURIBOR	5.5%
AmRest Capital Zrt	AmRest TAG S.L.U	18.11.2015*	10.07.2020	4 150	EUR	3M EURIBOR	5.5%
AmRestag S.L.U	Restauravia Food	27.02.2015*	15.01.2019	400	EUR	3M EURIBOR	5.5%
AmRestag S.L.U	Restauravia Food	30.06.2015*	15.01.2019	800	EUR	3M EURIBOR	5.5%
AmRestag S.L.U	Restauravia Food	14.12.2015*	15.01.2019	1 000	EUR	3M EURIBOR	5.5%
AmRestag S.L.U	Restauravia Food	18.12.2015*	15.01.2019	1 800	EUR	3M EURIBOR	5.5%
AmRestag S.L.U	Pastificio Service S.L.U.	30.06.2015*	15.01.2019	1 200	EUR	3M EURIBOR	5.5%
AmRest Sp. z o.o.	AmRest Coffee S.r.l.	16.07.2015*	15.07.2017	2 500	RON	N/A	4.0%
AmRest Sp. z o.o.	AmRest Coffee S.r.l.	16.07.2015*	15.07.2017	650	EUR	3M EURIBOR	2.7%

* revolving loan

No agreements on loans or borrowings were terminated in 2015.

TABLE 8. LOANS BETWEEN RELATED ENTITIES

Lender	Borrower	Loan currency	Contract value of loans granted [PLN'000]*	Value of loans as at 31/12/2015 [PLN'000]**
AmRest Kft	OOO AmRest	RUB	45 466	27 085
AmRest Capital ZRT	Spanish companies	EUR	554 469	552 414
AmRest Capital ZRT	OOO AmRest	EUR	73 255	73 255
AmRest Finance ZRT	AmRest Sp. z o.o.	PLN	525 735	530 453
AmRest Holdings SE	Blue Horizon Hospitality Group	USD	6 457	8 019
AmRest Holdings SE	AmRest Sp. z o.o.	PLN	174 200	174 200
Loans granted as part of the Spanish companies		EUR	124 649	133 678

* Translated using the NBP rate as of 31/12/2015
** Including interest accrued by 31/12/2015

Appendix No. 11: Guarantees and warranties

The status of the guarantees offered by the Group as at December 31, 2015 is summarized in the table below.

TABLE 9. GUARANTEES OFFERED BY THE GROUP AS AT DECEMBER 31, 2015

	Guarantee site	Guarantee mechanism	Maximum amount
Warranty of the lease restaurant in USA	AmRest Holdings SE warrants AmRest LLC to GLL Perimeter Place, L.P.	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism
Warranty of the lease restaurant in Germany	AmRest Holdings SE warrants AmRest GmbH to Berliner Immobilien Gesellschaft GbR	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism

With respect to the above agreement in the United States, negotiations with the owners are underway.

Appendix No. 12: Court, arbitration or administrative proceedings

As at December 31, 2015 or at the date of publication of this report no court, arbitration or administrative proceedings concerning liabilities and receivables, whose single or aggregate value exceeds 10% of the Company's equity, were pending against the Company.

Appendix No. 13: Statement of compliance with the Code of Best Practices for WSE Listed Companies

AmRest Holdings SE, whose shares are listed on the Warsaw Stock Exchange, made every effort to apply the principles of corporate governance stipulated in the document "Code of Best Practice for WSE Listed Companies".

Referring to the Principles adopted by Resolution No. 19/1307/2012 of the Warsaw Stock Exchange Supervisory Board dated 21 November 2012 (effective until December 31st, 2015), The Management Board of the Company informs that it applies most of the recommended Best Practices. The list of practices not applied, together with justifications, is presented below.

The Company does not apply the following practices: No I.5, I.12, II.1.6, II.1.12 and IV.10.

Practice No I.5 The company should have a remuneration policy in place, as well as rules for defining the policy. The remuneration policy should in particular define the form, structure and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration.

In the Issuer's enterprise, the level of remuneration of the Management Board is determined by the Company's Supervisory Board, and the level of remuneration of the Supervisory Board is determined by the General Meeting. It was left in the competence of the statutory bodies to determine the remunerations of the members of the Company's bodies. On 17 December 2010 the Supervisory Board adopted resolution on appointing a Remuneration Committee. However, the remuneration policy has not been developed yet.

Practice I.12 The company should enable the shareholders to exercise their voting right in person or through a proxy during the general meeting outside the location of the general meeting with the use of electronic communication.

and

Practice IV.10 The Company should enable its shareholders to participate in the general meeting using electronic means of communication in the following manner:

1) real-time transmission of the general meeting,

2) two-way real-time communication which allows the shareholders to speak during the general meeting while being present at a location other than the location of the meeting.

AmRest has not yet implemented the functionality of two-way real-time communication, which allows the shareholders to remotely participate in the general meeting.

The Company decided that voting via the Internet involves too many technological, legal and image risk elements, such as:

- Difficulties in certifying the identity of the shareholders
- Technological barriers, e.g. overload of Internet connection and delays in the transmission of image, which may negatively impact the dynamics of the discussion at the meeting, and even cause breaks in the sessions, which in turn can lead to an allegation of breaching the rights of the shareholders who came to the GSM in person, reserving an adequate amount of time for it.

- The responsibility of the Issuer for a potential break of connection with the General Meeting (also such which results from a lack of equipment ensuring fast, stable Internet connection at the part of the shareholder) and the risk of a reputation loss related with it in the case when a shareholder is unable to participate in the GM and exercise the voting right. A break of Internet connection and the inability of a shareholder to vote may result in not adopting a resolution during the meeting or a later claim against it.

The company has not until now received any propositions regarding a need to introduce remote participation in the vote from its shareholders.

The Issuer enables the shareholders to use the institution of proxies at the General Meeting of the Company. The proxies receive voting instructions from individual shareholders.

The company has not decided to make the recommended direct transmissions from the sessions of the General Meetings, but it recorded the course of the sessions. The video recording was promptly publicized on the website and is available in the bookmark Investor Relations/General Meeting. The company does not exclude the possibility that it will apply this practice in the future.

Practice No. II.1.6 The Company maintains a corporate website and presents there (...) annual Supervisory Board reports, including information on the work of its committees and the assessment of the work of the Supervisory Board, the internal audit system and the material risk management system.

The Supervisory Board of AmRest does not prepare reports describing the Board's activities during a financial year. The Supervisory Board report deals with the Company's financial situation only and is published in the form of a current report immediately before the date of the General Shareholders' Meeting. In the opinion of the Supervisory Board of AmRest, the current scale of the Company's operations does not justify preparing such reports. The decision to prepare of such a report will be considered when justified by the scale of the Company's operations.

Practice No II.1.12 A company should operate a corporate website and publish on it (...) where the company has introduced an employee incentive scheme based on shares or similar instruments – information about the projected cost to be incurred by the company in connection with the introduction of the scheme.

Information on the costs incurred by AmRest in connection with the employee option scheme is not presented separately on the Company's website. However, such information is presented each time in Note 19 to the Company's Financial Statement (annual report) and in the statement of changes in equity (quarterly reports).

The document "Code of Best Practice for WSE Listed Companies" is available on the official website of the Warsaw Stock Exchange devoted to the corporate governance of listed companies (www.corp-gov.gpw.pl, in "Regulations" tab).

Statement of AmRest's compliance with the Code of Best Practices for WSE Listed Companies 2016, effective from January 1st, 2016, is available on the Company website (section "Investors", tab "Corporate Governance").

Appendix No. 14: Financial results for the fourth quarter of 2015

*TABLE 10. CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER OF 2015**

PLN '000	**3 months ended 31/12/2015**	**3 months ended 31/12/2014**
Continued operations		
Revenue from restaurant operations	857 199	750 754
Revenue from franchising and other activities	60 675	48 838
Total revenue	917 874	799 592
Direct costs of restaurant operations:		
Food product costs	(267 042)	(236 064)
Salaries and wages and related employee benefits	(183 941)	(162 458)
Costs of licence (franchise) fees	(42 214)	(36 764)
Rental costs and other operating expenses	(266 422)	(239 593)
Total costs of franchising and other activities	(38 602)	(34 110)
General and administrative expenses	(83 674)	(54 178)
Revaluation of assets	(13 207)	(33 876)
Other operating income	16 124	6 507
Total operating costs and expenses	(878 978)	(790 536)
Operating profit	38 896	9 056
Financial expenses	(11 016)	(12 434)
Financial income	7 248	2 690
Share in profit (loss) of associates	414	81
Profit before income tax	35 542	(607)
Income tax	3 142	3 407
Profit (loss) from continued operations	38 684	2 800
Net profit	38 684	2 800
Net profit /(loss) attributable to		
Minority interest	(3 213)	(4 321)
Equity holders of the parent	41 897	7 121
Net profit	**38 684**	**2 800**
Basic earnings per share in PLN	1,97	0,34
Diluted earnings per share in PLN	1,97	0,36
Continued operations		
Basic earnings per share in PLN	1,97	0,34
Diluted earnings per share in PLN	1,97	0,36
Discontinued operations		
Basic earnings per share in PLN	-	-
Diluted earnings per share in PLN	-	-

* Data have not been audited

*TABLE 11. RECONCILIATION OF ADJUSTED NET PROFIT AND EBITDA IN THE FOURTH QUARTER 2015 AND 2014**

in thousands of PLN		12 months ended December 31, 2015	*% of sales*	3 months ended December 31, 2015	*% of sales*	12 months ended December 31, 2014	*% of sales*	3 months ended December 31, 2014	*% of sales*	Q4oQ4 change (YTD)	% of change	Q4oQ4 change	% of change
Restaurant sales		*3 123 773*	*93.6%*	*857 199*	*93.4%*	*2 770 529*	*93.8%*	*750 754*	*93.9%*	*353 244*	*12.8%*	*106 445*	*14.2%*
Franchise and other sales		*214 967*	*6.4%*	*60 675*	*6.6%*	*182 122*	*6.2%*	*48 838*	*6.1%*	*32 845*	*18.0%*	*11 837*	*24.2%*
Total sales		**3 338 740**		**917 874**		**2 952 651**		**799 592**		**386 089**		**118 282**	
Profit/(loss) for the period		**157 339**	***4.7%***	**38 684**	***4.2%***	**46 070**	***1.6%***	**2 800**	***0.4%***	**111 269**	***241.5%***	**35 884**	***1281.6%***
+	*Finance costs*	*43 694*	*1.3%*	*11 016*	*1.2%*	*50 688*	*1.7%*	*12 434*	*1.6%*	*-6 994*	*-13.8%*	*-1 418*	*-11.4%*
-	*Finance income*	*-9 646*	*-0.3%*	*-7 248*	*-0.8%*	*-5 929*	*-0.2%*	*-2 690*	*-0.3%*	*-3 717*	*62.7%*	*-4 558*	*169.4%*
-	*Income from associates*	*-588*	*0.0%*	*-414*	*0.0%*	*-195*	*0.0%*	*-81*	*0.0%*	*-393*	*201.5%*	*-333*	*411.1%*
+	*Income tax expense*	*4 944*	*0.1%*	*-3 142*	*-0.3%*	*19 261*	*0.7%*	*-3 407*	*-0.4%*	*-14 317*	*-74.3%*	*265*	*-7.8%*
+	*Depreciation and Amortisation*	*223 881*	*6.7%*	*63 248*	*6.9%*	*206 065*	*7.0%*	*57 933*	*7.2%*	*17 816*	*8.6%*	*5 315*	*9.2%*
+	*Impairment losses*	*16 848*	*0.5%*	*13 207*	*1.4%*	*40 414*	*1.4%*	*33 876*	*4.2%*	*-23 566*	*-58.3%*	*-20 669*	*-61.0%*
EBITDA		**436 472**	***13.1%***	**115 351**	***12.6%***	**356 374**	***12.1%***	**100 865**	***12.6%***	**80 098**	***22.5%***	**14 486**	***14.4%***
+	*Start-up expenses [1]*	*17 802*	*0.5%*	*6 266*	*0.7%*	*25 607*	*0.9%*	*8 858*	*1.1%*	*-7 805*	*-30.5%*	*-2 592*	*-29.3%*
+	*M&A related expenses [2]*	*719*	*0.0%*	*0*	*0.0%*	*0*	*0.0%*	*0*	*0.0%*	*719*	*n/a*	-	*n/a*
+ / -	*Effect of SOP exercise method modification [3]*	*17 481*	*0.5%*	*7 901*	*0.9%*	*0*	*0.0%*	*0*	*0.0%*	17 481	*4.5%*	7 901	*6.7%*
+ / -	*Indirect taxes adjustments [4]*	*-5 579*	*-0.2%*	*-8 396*	*-0.9%*	*0*	*0.0%*	*0*	*0.0%*	*-5 579*	*n/a*	*-8 396*	*n/a*
EBITDA skorygowana		**466 895**	**14.0%**	**121 122**	**13.2%**	**381 981**	**12.9%**	**109 723**	**13.7%**	**84 914**	**22.2%**	**11 399**	**10.4%**

[1] Start-Up expenses – all material operating expenses incurred in connection with new stores opening prior the opening.
[2] M&A expenses – all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction.
[3] Effect of SOP exercise method modification – is a difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan.
[4] Indirect taxes – all material adjustments for indirect taxes reported in given period but concerning prior reporting periods resulting from tax fillings adjustments. Indirect taxes are mainly VAT, land tax and other EBITDA level taxes.

* Data have not been audited

AmRest Holdings SE
Consolidated annual financial statements
as at and for the twelve months ended
December 31, 2015

Contents

Consolidated annual income statement
for the period ended December 31, 2015

In thousands of Polish Zloty

	Notes	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Continuing operations			
Restaurant sales		3 123 773	2 770 529
Franchise and other sales		214 967	182 122
Total sales	2	3 338 740	2 952 651
Company operated restaurant expenses:			
Food and material		(972 180)	(886 838)
Payroll and employee benefits		(686 198)	(609 537)
Royalties		(153 366)	(136 881)
Occupancy and other operating expenses		(947 661)	(868 230)
Franchise and other expenses		(141 330)	(124 951)
General and administrative (G&A) expenses		(251 600)	(195 359)
Impairment losses	2, 8,10	(16 848)	(40 414)
Other operating income	4	26 186	19 454
Total operating costs and losses	3	(3 142 997)	(2 842 756)
Profit from operations		**195 743**	**109 895**
Finance costs	2,6	(43 694)	(50 688)
Finance income	2,5	9 646	5 929
Income from associates	2,28	588	195
Profit before tax		**162 283**	**65 331**
Income tax expense	2,7	(4 944)	(19 261)
Profit for the period		**157 339**	**46 070**
Profit attributable to:			
Non-controlling interests		(2 697)	(5 597)
Equity holders of the parent		160 036	51 667
Profit for the period		**157 339**	**46 070**
Basic earnings per share in Polish zloty	26	7,54	2,44
Diluted earnings per share in Polish zloty	26	7,54	2,44

The consolidated income statement has to be analyzed jointly with the notes which constitute an integral part of these consolidated financial statements.

Consolidated annual comprehensive income statement
for the period ended December 31, 2015

In thousands of Polish Zloty	Notes	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Profit for the period		157 339	46 070
Other comprehensive income:			
Currency translation differences from conversion of foreign Entities		(21 283)	(65 583)
Net investment hedges	17	(476)	(17 161)
Income tax concerning net investment hedges	7,17	91	3 261
Total items that may be reclassified subsequently to profit or loss		(21 668)	(79 483)
Other comprehensive income for the period, net of tax		**(21 668)**	**(79 483)**
Total comprehensive income for the period		**135 671**	**(33 413)**
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		135 420	(36 731)
Non-controlling interests		251	3 318

The consolidated statement of financial position has to be analyzed jointly with the notes which constitute an integral part of these consolidated financial statements.

Consolidated annual statement of financial position
as at December 31, 2015

In thousands of Polish Zloty	**Notes**	**31.12.2015**	**31.12.2014**
Assets			
Property, plant and equipment	8	1 060 019	1 016 329
Goodwill	2,11	583 091	578 322
Other intangible assets	10	574 109	528 070
Investment properties	9	22 152	22 152
Investments in associates	28	828	403
Other non-current assets	12	51 801	47 060
Deferred tax assets	7	33 352	28 434
Total non-current assets		2 325 352	2 220 770
Inventories	13	64 346	51 638
Trade and other receivables	14,31	92 090	66 345
Corporate income tax receivables	7	5 458	6 735
Other current assets	15	44 007	19 184
Cash and cash equivalents	16	317 871	257 171
Total current assets		523 772	401 073
Total assets	2	**2 894 124**	**2 621 843**
Equity			
Share capital		714	714
Reserves	17	678 306	692 624
Retained earnings		464 456	304 420
Translation reserve	17	(110 447)	(86 216)
Equity attributable to shareholders of the parent		1 032 973	911 542
Non-controlling interests	17	71 045	64 100
Total equity		1 104 074	975 642
Liabilities			
Interest-bearing loans and borrowings	18	1 035 946	1 116 047
Finance lease liabilities	23	7 921	7 312
Employee benefit liability	19	26 677	39 606
Provisions	20	3 680	9 305
Deferred tax liability	7	90 492	103 591
Other non-current liabilities	21	14 901	17 145
Total non-current liabilities		1 179 617	1 293 006
Interest-bearing loans and borrowings	18	89 418	337
Finance lease liabilities	23	1 323	767
Trade and other accounts payable	22	461 774	344 873
Corporate income tax liabilities	7	12 918	7 218
Total current liabilities		565 433	353 195
Total liabilities	2	1 745 050	1 646 201
Total equity and liabilities		**2 849 124**	**2 621 843**

The consolidated statement of financial position has to be analyzed jointly with the notes which constitute an integral part of these consolidated financial statements.

Consolidated annual cash flow statement
for period ended December 31, 2015

In thousands of Polish Zloty	Notes	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Cash flows from operating activities			
Profit before tax	2,7	162 283	65 331
Adjustments for:			
Share of profit of associates	28	(588)	(195)
Amortization	2,10	26 947	21 520
Depreciation	2,8	196 934	184 545
Interest expense, net	5,6	33 285	40 120
Foreign exchange result	5,6	(5 204)	(2 181)
Loss on disposal of property, plant and equipment and intangibles	8	(320)	11 339
Impairment of property, plant and equipment and intangibles	2,8,10	13 249	33 025
Equity-settled share-based payments expenses	19	26 240	8 098
Working capital changes:	16		
Change in receivables		(27 373)	14 831
Change in inventories		(12 890)	(4 555)
Change in other assets		(28 412)	(702)
Change in payables and other liabilities		111 401	376
Change in other provisions and employee benefits		(5 431)	2 036
Income tax paid		(14 988)	(31 058)
Interest paid	6	(36 508)	(43 523)
Interest received	5	3 223	3 403
Dividends received from associates		158	-
Other		(251)	(6 484)
Net cash provided by operating activities		**441 755**	**295 926**
Cash flows from investing activities			
Expenses on acquisition of subsidiaries, decrease by cash	2	(64 025)	-
Proceeds from the sale of property, plant and equipment, and intangible assets	8,10	5 599	324
Acquisition of property, plant and equipment	8	(256 527)	(299 797)
Acquisition of intangible assets	10	(20 296)	(18 486)
Expense on loans given to other entities		198	1 737
Net cash used in investing activities		**(335 051)**	**(316 222)**
Cash flows from financing activities			
Proceeds from share issuance (employees options)		9 332	2 408
Expense on acquisition of own shares (employees options)		(49 779)	(6 645)
Expense on settlement of employee stock option in cash		(8 740)	-
Proceeds from loans and borrowings		12 018	177 879
Repayment of loans and borrowings		(7 211)	(152 627)
Dividends paid to non-controlling interest owners		(1 470)	(3 964)
Proceeds/(repayment) of finance lease payables		1 102	(666)
Proceeds of finance lease receivables		-	150
Net cash provided by/(used in) financing activities		**(44 748)**	**16 535**
Net change in cash and cash equivalents		**61 956**	**(3 761)**
Balance sheet change of cash and cash equivalents		60 700	(2 339)
Cash and cash equivalents, beginning of period		257 171	259 510
Effect of foreign exchange rate movements		(1 256)	1 422
Cash and cash equivalents, end of period		**317 871**	**257 171**

The consolidated cash flow statement has to be analyzed jointly with the notes which constitute an integral part of these consolidated financial statements.

AmRest Holdings SE

Consolidated annual statement of changes in equity for the 12 months ended December 31, 2015

	Attributable to equity holders							
	Issued capital	Reserved capital (note 17)				**Total equity attribu-table to equity hol-ders of the parent**		
		Treasury shares	Other reserved capital	Retained Earnings	Cumulative translation adjustments		Non-controlling interest	**Total Equity**
As at January 1, 2014	**714**	**(226)**	**738 255**	**252 753**	**(11 718)**	**979 778**	**64 746**	**1 044 524**
COMPREHENSIVE INCOME								
Income for the period	-	-	-	51 667	-	**51 667**	(5 597)	**46 070**
Currency translation differences (note 17)	-	-	-	-	(74 498)	**(74 498)**	8 915	**(65 583)**
Valuation Impact of net investment hedging instruments	-	-	(17 161)	-	-	**(17 161)**	-	**(17 161)**
Deferred income tax concerning net investment hedges (note 7)	-	-	3 261	-	-	**3 261**	-	**3 261**
Total Comprehensive Income	**-**	**-**	**(13 900)**	**51 667**	**(74 498)**	**(36 731)**	**3 318**	**(33 413)**
TRANSACTION WITH NON-CONTROLLING SHAREHOLDERS								
Dividends paid to non-controlling shareholders	-	-	-	-	-	**-**	(3 964)	**(3 964)**
Total transaction with non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**(3 964)**	**(3 964)**
TRANSACTION WITH SHAREHOLDERS								
Employees share option scheme – value of employee services	-	-	8 098	-	-	**8 098**	-	**8 098**
Change of employees share option scheme (note 19)	-	-	(34 939)	-	-	**(34 939)**	-	**(34 939)**
The net result for treasury shares	-	-	(876)	-	-	**(876)**	-	**(876)**
Purchase of treasury shares	-	(3 788)	-	-	-	**(3 788)**	-	**(3 788)**
Total transaction with shareholders	**-**	**(3 788)**	**(27 717)**	**-**	**-**	**(31 505)**	**-**	**(31 505)**
As at December 31, 2014	**714**	**(4 014)**	**696 638**	**304 420**	**(86 216)**	**911 542**	**64 100**	**975 642**
As at January 1, 2015	**714**	**(4 014)**	**696 638**	**304 420**	**(86 216)**	**911 542**	**64 100**	**975 642**
COMPREHENSIVE INCOME								
Income for the period	-	-	-	160 036	-	**160 036**	(2 697)	**157 339**
Currency translation differences (note 17)	-	-	-	-	(24 231)	**(24 231)**	2 948	**(21 283)**
Valuation Impact of net investment hedging instruments	-	-	(476)	-	-	**(476)**	-	**(476)**
Deferred income tax concerning net investment hedges (note 7)	-	-	91	-	-	**91**	-	**91**
Total Comprehensive Income	**-**	**-**	**(385)**	**160 036**	**(24 231)**	**135 420**	**251**	**135 671**
TRANSACTION WITH NON-CONTROLLING SHAREHOLDERS								
Takeover of full control over the subsidiary	-	-	(8 006)	-	-	**(8 006)**	8 006	**-**
Dividends paid to non-controlling shareholders	-	-	-	-	-	**-**	(1 312)	**(1 312)**
Total transaction with non-controlling shareholders	**-**	**-**	**(8 006)**	**-**	**-**	**(8 006)**	**6 694**	**(1 312)**
TRANSACTION WITH SHAREHOLDERS								
Purchase of treasury shares	-	(49 779)	-	-	-	**(49 779)**	-	**(49 779)**
Proceeds from treasury shares	-	32 581	(32 581)	-	-	**-**	-	**-**
Employee stock option plan – value of employee services excerised in the period	-	-	18 180	-	-	**18 180**	-	**18 180**
Employee stock option plan – proceeds from employees - value of disposed shares	-	-	9 332	-	-	**9 332**	-	**9 332**
Employee stock option plan – value of unexercised employee benefits	-	-	12 624	-	-	**12 624**	-	**12 624**
Change of deferred tax related to unexercised employee benefits	-	-	3 716	-	-	**3 716**	-	**3 716**
Total transaction with shareholders	**-**	**(17 198)**	**11 271**	**-**	**-**	**(5 927)**	**-**	**(5 927)**
As at December 31, 2015	**714**	**(21 212)**	**699 518**	**464 456**	**(110 447)**	**1 033 029**	**71 045**	**1 104 074**

The statement of changes in consolidated equity has to be analyzed jointly with the notes which constitute an integral part of these consolidated financial statements.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

1. Information on the Group and significant accounting policies

a) General information

AmRest Holdings SE ("the Company", "AmRest", "Equity holders of the parent") was established in the Netherlands in October 2000 as a joint-stock company. On September 19, 2008, the Commercial Chamber in Amsterdam registered the change in the legal status of the Company to a European Company (Societas Europaea) and of its name to AmRest Holdings SE. On December 22, 2008, the District Court for Wrocław-Fabryczna in Wrocław registered the new registered office of AmRest in the National Court Register. The address of the Company's new registered office is: pl. Grunwaldzki 25-27, Wrocław (50-365), Poland.The Court also registered amendments to the Company's Memorandum of Association related to the transfer of the registered office of AmRest to Poland.

AmRest is the first public company in Poland operating in the form of a European Company. The purpose of transforming AmRest into a European Company was to increase its operating effectiveness and reduce operating and administrative expenses. Following the fact of transfer into European Company and transfer of Company registered head office to Poland, the functional currency of AmRest holdings SE since January 1, 2009 is Polish zloty (PLN).

Here after, the Company and its subsidiaries shall be referred to as "the Group". The Group's consolidated financial statements for the 12-month period ended December 31, 2015 cover the Company, its subsidiaries and the Group's shares in associates.

These consolidated financial statements were approved by the Company's Management Board on March 11, 2016.

The Group's core activity is operating Kentucky Fried Chicken ("KFC"), Pizza Hut, Burger King and Starbucks restaurants through its subsidiaries in Poland, the Czech Republic (further Czech), Hungary, Russia, Serbia, Croatia, Bulgaria, Romania and Spain, on the basis of franchises granted. In Spain, France, Germany, China and The United States of America (further USA) the Group operates its own brands La Tagliatella, Trastevere and il Pastificcio. This business is based on the franchise agreements signed with non related companies and own restaurants. It is supported by the central kitchen which produces and delivers products to the whole network of own brands. Additionally, in China since December 21, 2012 the Group operates its own brands Blue Frog and KABB.

On April 27, 2005, the shares of AmRest Holdings SE were quoted for the first time on the Warsaw Stock Exchange ("WSE").

On August 18, 2015 WP Holdins B.V. have sold to FCapital Dutch B.V. all owned shares in AmRest Group.

As at December 31, 2015, FCapital Dutch B.V. was the largest shareholder of AmRest and held 31.71% of its shares and voting rights.

Pursuant to the information available to the Company, as at the date of release of this annual report, that is March 11, 2016 the following shareholders submitted information on holding directly or indirectly (through subsidiaries) 5% or more of the total vote at the General Shareholders Meeting of AmRest Holdings SE:

Shareholders	Shares amount	Share in Equity%	Shares amount at AGM	Share at AGM%
FCapital Dutch B.V.*	6 726 790	31.71%	6 726 790	31.71%
Nationale-Nederlanden OFE**	2 539 429	11.97%	2 539 429	11.97%
PZU PTE***	2 120 901	10.00%	2 120 901	10.00%
Aviva OFE	2 100 000	9.90%	2 100 000	9.90%
Other shareholders	7 726 773	36.42%	7 726 773	36.42%

* FCapital Dutch B. V. is the subsidiary of Finaccess Capital, S.A. de C.V.
** The previous name: ING OFE
*** PTE PZU SA manages assets which include funds belonging to OFE PZU "Złota Jesień" and DFE PZU

Pizza Hut and KFC restaurants operate on the basis of franchise agreements signed with YUM! and YUM! Restaurants International Switzerland, Sarl (“YRIS”) which is a subsidiary of YUM! Each of the franchise agreements covers a period of 10 years, with the possibility of extending it for a further 10-year period, which is conditional to meeting operating terms and conditions specified in the agreements.

On March 8, 2007, the Company signed a “Development Agreement” with Burger King Europe GmbH (“BKE”), relating to opening and operating Burger King restaurants in Poland on a franchise basis. Burger King restaurants operate on the basis of franchise agreements signed with Burger King Europe GmbH with its registered office in Zug, Switzerland. Each of the franchise agreements covers a period of 10 years, with the possibility of extending it for a further 10-year period, which is conditional to meeting specific terms and conditions specified in the agreements. For restaurants opened between March 01, 2009 and June 30, 2010 and after this period the franchise agreement was prolonged from 10 to 20 years from the opening date of new restaurants, but without possibility to prolong this period for next 10 years.

The main terms and conditions of the signed “Development Agreement” are as follows:

- During the first two years after opening the first Burger King restaurant by the Group, BKE will pay to the advertising and sales promotion fund an amount equal to 2.5% of the monthly sales of all Burger King restaurants operated by the Group. During the third year of opening the first Burger King restaurant by the Group, BKE will pay to the advertising and sales promotion fund an amount equal to 2.0% of the monthly sales of all Burger King restaurants operated by the Group.
- During the first five years, the preliminary fee paid by the Group in respect of franchise agreements concluded for each Burger King restaurant for a period of 10 years will amount to USD 25.000 (should the Group extend the franchise period for a further 10 years, the fee for renewing the franchise will amount to another USD 25.000). Upon opening each consecutive Burger King restaurant exceeding the number of restaurants specified in the development plan, the preliminary fee will be reduced by 50%.

As at August 10, 2010 between BKE, AmRest sp. z o.o., AmRest BK s.r.o.(present AmRest s.r.o. after the merger as at December 28, 2011) and Company “Strategic Development Agreement” was signed partially amending “Development Agreement” and franchise agreement was signed with AmRest Sp. z o.o. and AmRest BK s.r.o., considering opening and running Burger King restaurants, in Poland and Czech, respectively.

Agreement describes terms of opening and operating new Burger King restaurant in Poland and Czech. In this agreement were agreed amounts of new Burger King restaurants, that AmRest Sp. z o.o. in Poland and AmRest s.r.o. in Czech is obliged to open in agreed timeframe. In this agreement were also agreed rules of modification in agreed chain development schedules for given year. It was also established in agreement that if AmRest Sp. z o.o. or AmRest s.r.o. will not fulfill their obligations from development agreements concerning amount of new openings, each side of agreement (Group and BKE) will have right to cancel development agreement according to rules described in development agreement.

Validity period of franchisee agreement, therefore licenses for Burger King restaurants opened in Poland in period from March 1, 2009 till June 30, 2010, and also for newly opened restaurants in Poland was extended from 10 to 20 years since date of restaurant opening, however without option of prolongation for next 10 years, what was provided in original development agreement with AmRest sp. z o.o. In relation to restaurants opened in Poland in the period from March 1, 2009 to June 30, 2010 and in relation to restaurants opened in after this period (for franchise agreements for 20 years) was increased also amount of initial franchise payment from 25.000 USD to 50.000 USD.

According to „Strategic development agreement”, Companies of the Group guaranteed to BKE fulfilling of AmRest sp. z o.o. and AmRest s.r.o obligations resulting from development agreements. Companies of the Group are committed to cover any damages to BKE caused by the developers actions, that is AmRest sp. z o.o. and AmRest s.r.o. At the present moment the Group companies are in the process of renegotiating the terms of contracts, particularly in the area of established development plans, in order to negotiate favorable conditions for further development.

The agreement was concluded for a fixed term until 30 June 2015. Provided that the duration of the contract will be extended until the end of the development agreements concluded with AmRest Sp. z o.o and AmRest s.r.o. On

November 13, 2015 ammendment letter to Strategic Development Agreement was signed extending the terms till December 31 2016.

On January 31, 2014. Between Burger King Europe GmbH (BKE), AmRest Sp. z oo and AmRest Holdings SE, an annex to the "Strategic Development Agreement" ("Strategic Development Agreement"), amending, as part of the above-mentioned "Development Agreement" and the franchise agreement signed with AmRest Sp. z oo, for opening and running Burger King restaurants in Polish in 2013-2015.

On May 25, 2007, the Group signed agreements with Starbucks Coffee International, Inc. ("Starbucks") relating to the development of Starbucks cafés in Poland, the Czech and Hungary. The agreement covers a period to May 31, 2022 and provides for an option to extend it for another 5 years, after specific terms and conditions have been met.

The Parties established three separate companies in each of the 3 countries: Poland, the Czech and Hungary. On March 27, 2007, a new company was established in Poland – AmRest Coffee Sp. z o.o. The Czech AmRest Coffee s.r.o. was established on August 14, 2007, and the Hungarian AmRest Kávézó Kft on August 31, 2007. These companies are the only entities authorized to develop and run Starbucks cafés in Poland, the Czech and Hungary, without exclusivity rights to some of the institutional locations.

The Group took up 82%, and Starbucks 18% of the share capital in the newly established companies. In the ninth year Starbucks will have an unconditional option to increase its shares to a maximum of 50%. In the event of a disputed take-over or change of control over the Company and/or its shareholders, Starbucks will be entitled to increase its share to 100% by purchasing shares from the Group. According to Company's Management assessment as at the day of this financial statement issuance, there are no material indicators making mentioned above options realizable.

The Group will be obliged to develop and run Starbucks cafés in accordance with the development plan which stipulates the minimum number of cafés to be opened each year in the period of the agreements being in force. Should the Group not discharge the duties following from the development plan, Starbucks will be entitled to charge it contractual penalty or terminate the agreements. The Agreements also include provisions relating to deliveries of coffee and other basic raw materials from Starbucks or other approved or determined suppliers.

As at June 24, 2015 Group has started operations of Starbucks in Romania and Bulgaria after 100% share acquisition of sole operators on those markets (note 2).

On September 29, 2015 AmRest Group entities in writting confiremd with Starbucks EMEA Ltd opening obligations in years 2015 – 2020 for 5 markets: Poland, Czech Republic, Romania and Bulgaria.

Group is running proprietary brands from La Tagliatella group since April 28, 2011, when controlling interests of Spanish AmRestTAG S.L. were acquired, and Blue Frog and KABB since December 21, 2012, when Group acquired controlling interests in Blue Horizon Hospitality PTE Ltd. Group.

La Tagliatella proprietary brands are run as equity stores mostly on Spanish market and heavily developed new markets, additionally in Spain are present frichise activities together with well developed supply chain managements processes. In franchise activities entities within Spanish Group are signing agreements with third parties to run restaurant under proprietary brand of AmRest, according to agreement terms they are expected to follow set standards, use common supply chain and pay agreed intital fee and monthly franchise fee based as percentage of net sales. This agreeemnts are long term with restricted terms of notice. La Tagliatella restaurants are places with unique décor serving Italian food, based on fresh, high quality and original ingridients, served in fast casual form.

Proprietary brands of Blue Frog and KABB are only located within China. In modern interriors dishes from contemporary western quisine are served meeting high demand from mid and upper class. KABB brand is perceived as premium one with high quality of service and food offered.

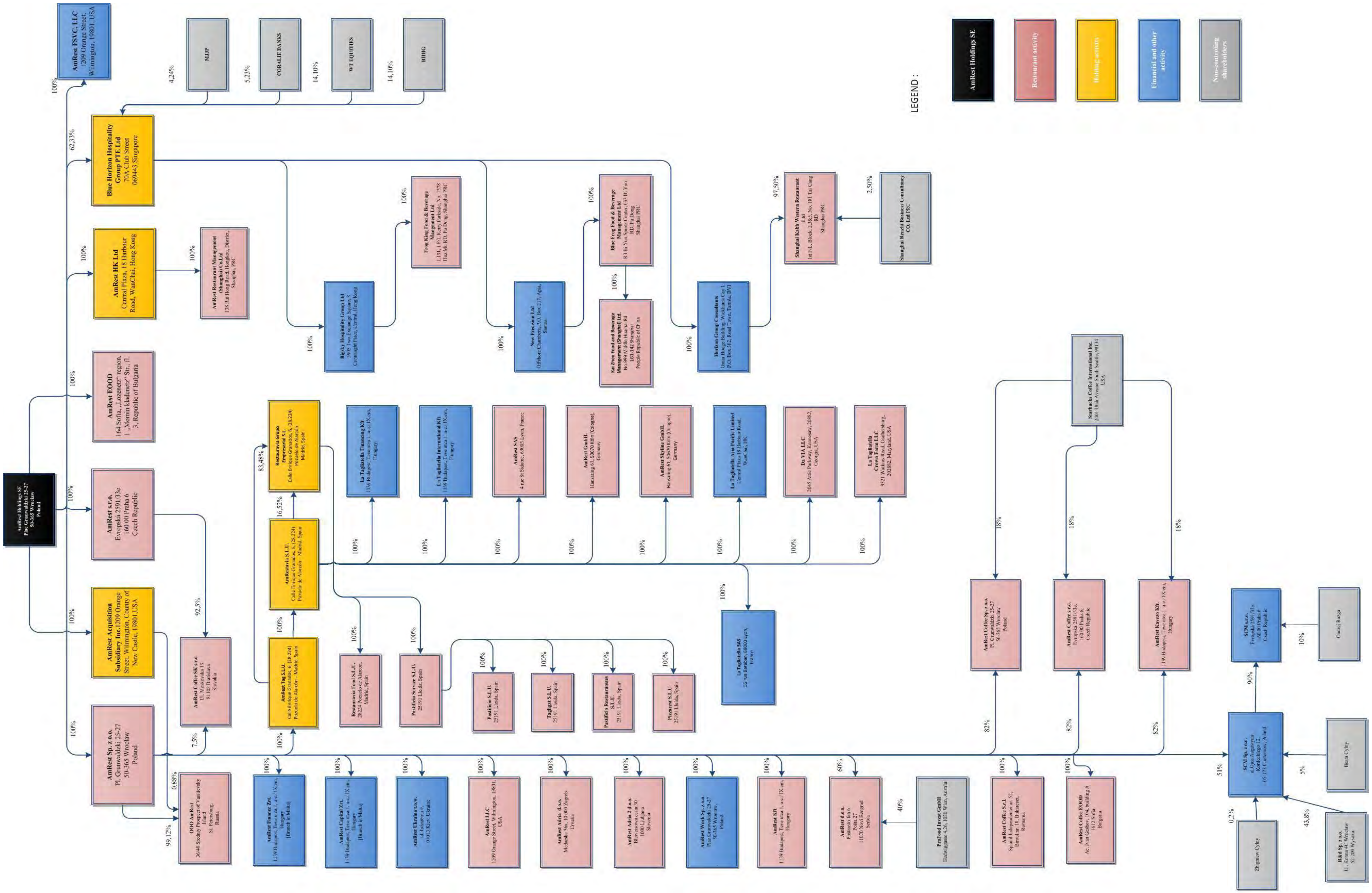
Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

As at December 31, 2015 , the Group comprised the following subsidiaries:

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
		Holding activity		
AmRest Acquisition Subsidiary Inc.	Wilmington, USA	AmRest Holdings SE	100.00%	May 2007
AmRest TAG S.L.U	Madrid, Spain	AmRest Sp. z o.o.	100.00%	March 2011
AmRestavia S.L.U.	Madrid, Spain	AmRest TAG S.L.U.	100.00%	April 2011
Restauravia Grupo Empresarial S.L.	Madrid, Spain	AmRestavia S.L.U.	16.52%	April 2011
		AmRest TAG S.L.U.	83.48%	
AmRest HK Ltd	Hong Kong, China	AmRest Holdings SE	100.00%	September 2011
Blue Horizon Hospitality Group PTE Ltd	Singapore, China	AmRest Holdings SE	62.33%	December 2012
		WT Equities	14.10%	
		BHHG	14.10%	
		MJJP	4.24%	
		Coralie Danks	5.23%	
Bigsky Hospitality Group Ltd	Hong Kong, Chiny	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
New Precision Ltd	Apia, Samoa	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
Horizon Group Consultants (BVI)	Road Town, Tortola, BVI	Blue Horizon Hospitality Group PTE Ltd	100.00%	December 2012
		Restaurant activity		
AmRest Sp. z o.o.	Wroclaw, Poland	AmRest Holdings SE	100.00%	December 2000
AmRest s.r.o.	Prague, Czech	AmRest Holdings SE	100.00%	December 2000
AmRest Kft	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	June 2006
AmRest Coffee Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o.	82.00%	March 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest EOOD	Sofia, Bulgaria	AmRest Holdings SE	100.00%	April 2007
OOO AmRest	Petersburg, Russia	AmRest Acquisition Subsidiary Inc.	0.88%	July 2007
		AmRest Sp. z o.o.	99.12%	
AmRest Coffee s.r.o.	Prague, Czech	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest Kávézó Kft	Budapest, Hungary	AmRest Sp. z o.o.	82.00%	August 2007
		Starbucks Coffee International, Inc.	18.00%	
AmRest d.o.o.	Belgrad, Serbia	AmRest Sp. z o.o.	60.00%	October 2007
		ProFood Invest GmbH	40.00%	
AmRest LLC	Wilmington, USA	AmRest Sp. z o.o.	100.00%	July 2008
Da Via, LLC	Kennesaw, USA	AmRestavia S.L.U.	100.00%	June 2013
La Tagliatella - Crown Farm, LLC	Gaithersburg, USA	AmRestavia S.L.U.	100.00%	June 2013
Restauravia Food S.L.U.	Madrid, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Service S.L.U.	Lleida, Spain	Restauravia Grupo Empresarial S.L.	100.00%	April 2011
Pastificio Restaurantes S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Tagligat S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
Pastificio S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	April 2011
AmRest Restaurant Management Co. Ltd	Shanghai, China	AmRest HK Ltd	100.00%	November 2012

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Company name	Seat	Parent/non-controlling undertaking	Owner-ship interest and total vote	Date of effective control
AmRest Adria d.o.o.	Zagreb, Croatia	AmRest Sp. z o.o.	100.00%	October 2011
AmRest GmbH	Cologne, Germany	AmRestavia S.L.U.	100.00%	March 2012
AmRest SAS	Lyon, France	AmRestavia S.L.U.	100.00%	April 2012
La Tagliatella LLC	Wilmington, USA	AmRestavia S.L.U.	100.00%	April 2012
AmRest Adria 2 d.o.o.	Ljubljana, Slovenia	AmRest Sp. z o.o	100.00%	August 2012
Frog King Food&Beverage Management Ltd	Szanghai, China	Bigsky Hospitality Group Ltd	100.00%	December 2012
Blue Frog Food&Beverage Management Ltd	Szanghai, China	New Precision Ltd	100.00%	December 2012
Shanghai Kabb Western Restaurant Ltd	Szanghai, China	Horizon Group Consultants (BVI)	97.50%	December 2012
		Shanghai Renzi Business Consultancy Co. Ltd	2.50%	
AmRest Skyline GmbH	Cologne, Germany	AmRestavia S.L.U.	100.00%	October 2013
Kai Zhen Food and Beverage Management (Shanghai) Ltd.	Shanghai, China	BlueFrog Food&Beverage Management Ltd	100.00%	March 2014
Pizzarest S.L.U.	Lleida, Spain	Pastificio Service S.L.U.	100.00%	September 2014
AmRest Coffee EOOD	Sofia, Bulgaria	AmRest Sp.z o.o.	100.00%	June 2015
AmRest Coffe S.r.l.	Bucharest, Romania	AmRest Sp. z o.o.	100.00%	June 2015
AmRest Coffee SK s.r.o.	Bratislava, Slovakia	AmRest s.r.o.	92.50%	December 2015
		AmRest Sp. z o.o.	7.50%	
Financial services for the Group				
AmRest Capital Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
AmRest Finance Zrt	Budapest, Hungary	AmRest Sp. z o.o.	100.00%	November 2011
La Tagliatella International Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Financing Kft	Budapest, Hungary	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella Asia Pacific Ltd	Hong Kong, China	AmRestavia S.L.U.	100.00%	November 2012
La Tagliatella SAS	Lyon, France	AmRestavia S.L.U.	100.00%	March 2014
AmRest FSVC, LLC	Delaware, USA	AmRest Holdings SE	100,00%	November 2014
Supply services for restaurants operated by the Group				
SCM Sp. z o.o.	Chotomow, Poland	AmRest Sp. z o.o.	51.00%	October 2008
		R&d Sp. z o.o.	43.80%	
		Beata Cylny	5.00%	
		Zbigniew Cylny	0.20%	
Lack of business activity				
AmRest Ukraina t.o.w.	Kiev, Ukraine	AmRest Sp. z o.o.	100.00%	December 2005
AmRest Work Sp. z o.o.	Wroclaw, Poland	AmRest Sp. z o.o	100.00%	March 2012



Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

As at December 31, 2015 the Group posses the following associated entities included in the financial statements under the equity method:

Company name	Seat	Core business	Parent/ non-controlling undertaking	Owner-ship interest and total Group vote	Date of acquisition
SCM s.r.o.	Prague, Czech	Delivery services for restaurants provided to the Group	SCM Sp. z o.o.	45.90%	March 2007

The Group's office is in Wroclaw, Poland. At December 31, 2015 the restaurants operated by the Group are located in Poland, the Czech Republic, Hungary, Russia, Bulgaria, Romania, Serbia, Croatia, Spain, Germany, France and China.

At December 31, 2015 and December 31, 2014 the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group:

Summarised balance sheet

2015	AmRest HK Ltd***	Blue Horizon Hospitality Group PTE Ltd.	AmRest Coffee s.r.o.	AmRest Kávézó Kft	AmRest Coffee Sp. z o.o.	SCM Sp. z o.o.	AmRest d.o.o.
Current Assets	501	27 770	16 872	7 193	7 446	16 129	2 678
Liabilities	(3 377)	(42 954)	(10 856)	(5 447)	(11 186)	(4 986)	(1 373)
Total current net assets	(2 876)	(15 184)	6 016	1 746	(3 740)	11 143	1 305
Non-current assets	-	90 866	29 537	12 368	36 208	3 594	2 919
Liabilities	-	(12 765)	(180)	(1)	(4)	(381)	(7)
Total non-current net assets	-	78 101	29 357	12 367	36 204	3 213	2 912
Net assets	(2 876)	62 917	35 373	14 113	32 464	14 356	4 217

2014	AmRest HK Ltd	Blue Horizon Hospitality Group PTE Ltd.	AmRest Coffee s.r.o.	AmRest Kávézó Kft	AmRest Coffee Sp. z o.o.	SCM Sp. z o.o.	AmRest d.o.o.
Current Assets	1 660	18 553	12 289	5 256	8 794	12 460	2 024
Liabilities	(8 684)	(29 890)	(7 815)	(3 206)	(8 602)	(2 915)	(1 577)
Total current net assets	(7 024)	(11 337)	4 474	2 050	192	9 545	447
Non-current assets	-	74 341	25 074	11 686	39 689	2 759	3 139
Liabilities	-	(11 387)	(105)	(259)	(696)	(89)	(7)
Total non-current net assets	-	62 954	24 969	11 427	38 993	2 670	3 132
Net assets	(7 024)	51 617	29 443	13 477	39 185	12 215	3 579

Summarised income statement

2015	AmRest HK Ltd***	Blue Horizon Hospitality Group PTE Ltd.	AmRest Coffee s.r.o.	AmRest Kávézó Kft	AmRest Coffee Sp. z o.o.	SCM Sp. z o.o.	AmRest d.o.o.
Total sales	417	208 017	60 352	25 885	73 918	36 377	13 484
Profit before tax	(1 944)	(13 021)	6 407	946	(6 707)	5 421	674
Income tax expense/income	-	2 285	(1 379)	(375)	-	(1 191)	-
Profit/loss for the period	(1 944)	(10 736)	5 028	571	(6 707)	4 230	674
Profit/loss for the period allocated to Non-controlling interests	(738)	(4 102)**	905	103	(1 207)	2 073	270

2014	AmRest HK Ltd	Blue Horizon Hospitality Group PTE Ltd.	AmRest Coffee s.r.o.	AmRest Kávézó Kft	AmRest Coffee Sp. z o.o.	SCM Sp. z o.o.	AmRest d.o.o.
Total sales	5 371	142 157	47 218	22 127	63 956	30 166	12 877
Profit before tax	(16 186)	(7 172)	2 317	956	(11 421)	5 610	(611)
Income tax expense/income	-	(279)	(589)	(299)	-	(1 199)	-
Profit/loss for the period	(16 186)	(7 451)	1 728	657	(11 421)	4 411	(611)
Profit/loss for the period allocated to Non-controlling interests	(2 930)	(2 958)*	311	118	(2 056)	2 161	(244)

* On June 13, 2014 Company passed a resolution of increase share capital in Blue Horizon Hospitality PTE LTD in amount of TUSD 3.915 which resulted additional 3.58% of shares.

** On January 30, 2015 Company passed a resolution of increase share capital in Blue Horizon Hospitality PTE LTD in amount of TUSD 4 454 which resulted additional 2.78% of shares. On July 13, 2015 the process of issuing shares has finished and resulted in reduction of shares by 0.63%.

*** On November 30, 2015 an agreement was signed in the amount of TUSD 18 under which AmRest Holdings became the sole shareholder of AmRest HK Ltd.

The subsidiaries in which they have non-controlling interest, there are no significant restrictions on the possibility of accesses to the assets or their use and settlement of obligations.

Group companies with non-controlling interests at the date of publication of this report, did not prepare the cash flows in accordance with the International Financial Reporting Standards. From the point of view of the Group, they are not meaningful, because to a large extent they are by transactions with related parties.

b) Representations on compliance of the financial statements with the International Financial Accounting Standards

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and adopted by the European Union for annual financial reporting, in force as at December 31, 2015. As at December 31, 2015, there are no discrepancies between the accounting policies adopted by the Group and the standards referred to above. The accounting policies which have been applied in the preparation of the annual consolidated financial statements comply with those used in preparing the annual consolidated financial statements for the year December 31, 2014, with the exception of the new standards binding as of January 1, 2015.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2015:

- **Annual Improvements to IFRSs 2011-2013**

  International Accounting Standards Board issued in December 2013 'Annual Improvements to IFRSs 2011-2013'. The improvements consist of changes to four standards. The amendments include changes in presentation, recognition and valuation and include terminology and editorial changes.
  The Group considers this change did not have a significant impact on the consolidated financial statements.

- **IFRIC 21 - Levies**

  The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional.

The Group considers this change did not have a significant impact on the consolidated financial statements.

In these consolidated financial statements, the Group decided not to early adopt the following published standards, interpretations and amendments to existing standards prior to the date of application:

a. IFRS 9 "Financial Instruments"

IFRS 9 replaces IAS 39 and will be effective for annual periods beginning on or after 1 January 2018.
IFRS 9 introduces one model, according to which financial as sets are required to be classified into two measurement categories: those to be measured subsequently at fair value and those to be measured subsequently at amortised cost.
Classification on initial recognition is driven by the entity's business model for managing the financial assets and the contractual cash flows characteristics. IFRS 9 introduces a new model for the recognition of impairment loss es – the expected credit losses (ECL) model.
Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

The key change is the requirement to present in other comprehensive income, a significant change in credit risk relating to financial liabilities designated to be measured at fair value through profit and loss. Hedge accounting requirements were amended to align accounting more closely with risk management. The Group will apply the change after approval by the European Union.
The Group considers this change will not have a significant impact on the consolidated financial statements.
At the date of preparation of these consolidated financial statements, this change has not yet been approved by the European Union.

b. Defined Benefit Plans: Employee Contributions - Amendments to IAS 19

The amendment changes to IAS 19 Employee Contributions was issued in November 2013 and is effective for annual periods beginning 1 February 2015 or after that date.
The amendment allows entities to recognise employee contributions as a reduction in the service cost in the period in which the related employee service is rendered, instead of attributing the contributions to the periods of service, if the amount of the employee contributions is independent of the number of years of service.
The Group will apply these amendments to IFRS from 1 January 2016. The Group considers this change will not have a significant impact on the consolidated financial statements.

c. Amendments to IFRS 2010-2012

International Accounting Standards Board has published in December 2013 "Improvements to IFRSs 2010-2012" which amend 7 standards . The amendments include changes in presentation, recognition and valuation and include terminology and editorial changes. The amendments are effective for the most part for annual periods beginning on or after 1 February 2015 .
The Group will apply these amendments to IFRS from 1 January 2016.
The Group considers this change will not have a significant impact on the consolidated financial statements.

d. IFRS 14 “Regulatory Deferral Accounts”

IFRS 14 is effective for annual periods beginning on or after 1 January 2016 or after that date. This standard allows individuals who produce financial statements in accordance with IFRS for the first time, to the recognition of the amounts resulting from the activities of regulated prices in accordance with the previously applied accounting principles. To improve comparability with units which already apply IFRS and do not show such amounts in accordance with the published IFRS 14, the amounts resulting from the activities of regulated prices, should be subject to the presentation in a separate location, either in the statement of financial position as well as in the income statement and statement of other comprehensive income.
The Group will apply these amendments to IFRS from 1 January 2016.
The Group considers this change will not have a significant impact on the consolidated financial statements.
At the date of preparation of these consolidated financial statements, IFRS 14 has not yet been approved by the European Union.

e. Amendments to IFRS 11 on the purchase of a share in a common activity

This amendment to IFRS 11 requires the investor when he acquires a share in a common business activity which is as defined in IFRS 3 application to acquire its share of the accounting rules on businesses connections in accordance with IFRS 3 and the rules under other standards, unless they are in contrary to the guidelines contained in IFRS 11.
The change is effective for annual periods beginning on or after 1 January 2016.
The Group will apply the change from 1 January 2016.
The Group considers this change will not have a significant impact on the consolidated financial statements.

f. Amendments to IAS 16 and IAS 38 concerning Depreciation

The amendment clarifies that the use of the depreciation method based on revenues is not appropriate because the revenues generated in the business, which uses data assets also reflect factors other than the consumption of economic benefits from the asset.
The change is effective for annual periods beginning on or after 1 January 2016.
The Group will apply the change from 1 January 2016. The Group considers this change will not have a significant impact on the consolidated financial statements.

g. IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 was published by the International Accounting Standards Board on 28 May 2014 and is effective for annual periods beginning on or after 1 January 2018 or after that date.
The principles set out in IFRS 15 will apply to all contracts resulting in revenue. The fundamental principle of the new standard is to recognize revenue at the time of the transfer of goods or services to the client, in the amount of the transaction price. Any goods or services sold in packages that can be distinguished in the package, should be recognized separately, moreover, any discounts and rebates on the transaction price should in principle be allocated to the various elements of the package. If the amount of revenue is variable, according to the new standard for the amount of variables are included in the income, if there is a high probability that in the future there will be no reversal of the recognition of income as a result of revaluation. Furthermore, in accordance with IFRS 15 costs incurred to acquire and secure a contract with the customer must be activated and deferred for a period of consumption of the benefits of this contract.
The Group will apply IFRS 15 from 1 January 2018. The Group considers this change will not have a significant impact on the consolidated financial statements. At the date of preparation of these consolidated financial statements, IFRS 15 has not yet been approved by the European Union.

h. Agriculture: Bearer plants - Amendments to IAS 16 and IAS 41

The amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms, which now should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.
Amendments are effective for annual periods beginning on 1 January 2016. The Group will apply the change from 1 January 2016.

i. Amendments to IAS 27 concerning the equity method in the separate financial statements

The amendments in IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
The amendments are effective for annual periods beginning on or after 1 January 2016.
The Group will apply the change from 1 January 2016.
The Group considers this change will not have a significant impact on the consolidated financial statements.

j. Amendments to IFRS 10 and IAS 28 concerning sales or transfers of assets between the investor and its associates or joint ventures

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss, considering the interests of other investors, is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.
The amendments were published on 11 September 2014 and will be effective for annual periods beginning on or after a date to be determined by the IASB.
The Group will apply the change accordingly to IASB resolutions.
The Group considers this change will not have a significant impact on the consolidated financial statements.
At the date of preparation of these consolidated financial statements, this change has not yet been approved by the European Union.

k. Amendments to IFRS 2012-2014

International Accounting Standards Board published in September 2014 "Improvements to IFRSs 2012-2014" , that change four standards: IFRS 5, IFRS 7, IAS 19 and IAS 34. The amendments are effective for annual periods beginning on or after 1 January 2016 .
The Group will apply these amendments to IFRS from 1 January 2016 .
The Group considers this change will not have a significant impact on the consolidated financial statements.

l. Amendments to IAS 1

In December 2014 in result of the works on so-called initiative on disclosure, the International Accounting Standards Board an amendment to IAS 1 issued. The Standard was amended to clarify the concept of materiality and explains that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, even if the IFRS contains a list of specific requirements or describes them as minimum requirements. The revised IAS 1 explained that

the items presented in the statement of financial position and statement of results and other comprehensive income may be aggregated or disaggregated according to their relevance. It also introduced additional guidance relating to the presentation of subtotals in these statements. The amendments are effective for annual periods beginning on or after 1 January 2016.
The Group will apply the above change from 1 January 2016.
The Group considers this change will not have a significant impact on the consolidated financial statements.

m. Amendments to IFRS 10, IFRS 12 and IAS 28 concerning deconsolidation of investment units

On December 18, 2014 the IASB published the so-called amendment to a limited extent. Amendment to IFRS 10, IFRS 12 and IAS 28 'Investment Units: deconsolidation' clarifies requirements for investment entities and introduces some facilitations.
The Standard was amended to clarify that an investment entity should measure at fair value through profit or loss all of its subsidiaries that are themselves investment entities. In addition, the exemption from preparing consolidated financial statements if the entity's ultimate or any intermediate parent produces consolidated financial statements available for public use was amended to clarify that the exemption applies regardless whether the subsidiaries are consolidated or are measured at fair value through profit or loss in accordance with IFRS 10 in such ultimate or any intermediate parent's financial statements.
The standard clarifies that an entity should measure at fair value through profit or loss all of its subsidiaries, which are units of investment. In addition, clarified that the exemption from preparing consolidated financial statements if the parent company prepares a higher degree of financial statements available to the public concerns made regardless of whether the subsidiaries are consolidated or at fair value through profit or loss in accordance with IFRS 10 in the report of the ultimate parent or senior. The amendments are effective for annual periods beginning on or after 1 January 2016.
The Group will apply these changes from 1 January 2016. The Group considers this change will not have a significant impact on the consolidated financial statements.
At the date of preparation of these consolidated financial statements, amendments to IFRS has not yet been approved by the European Union.

n. IFRS 16 "Leases"

IFRS 16 "Leases" was issued on January 13, 2016 and is effective for annual periods beginning on or after 1 January 2019.
The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.
IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
The Group will apply the change accordingly to IASB resolutions. The Group is currently assessing the impact of the amendments on its financial statements. Taking into considaration large scale and value of signed lease agreements, the Group expects a significant impact of the amendments on the consolidated financial statements.
At the date of preparation of these consolidated financial statements, this change has not yet been approved by the European Union.

o. Recognition of Deferred Tax Assets for Unrealised Losses - amendments to IAS 12

The amendment has clarified the requirements on recognition of deferred tax assets for unrealised losses on debt instruments. The entity will have to recognise deferred tax asset for unrealised losses that arise as a result of discounting cash flows of debt instruments at market interest rates, even if it expects to hold the instrument to maturity and no tax will be payable upon collecting the principal amount. The economic benefit embodied in the deferred tax asset arises from the ability of the holder of the debt instrument to achieve future gains (unwinding of the effects of discounting) without paying taxes on those gains.

The amendments are effective for annual periods beginning on or after 1 January 2017.

The Group will apply these changes from 1 January 2017. The Group considers this change will not have a significant impact on the consolidated financial statements.

At the date of preparation of these consolidated financial statements, amendments to IFRS has not yet been approved by the European Union.

p. Disclosure Initiative - Amendments to IAS 7

Amendments to IAS 7 are effective for annual periods beginning on or after 1 January 2017. The amended IAS 7 will require disclosure of a reconciliation of movements in liabilities arising from financing activities.

The Group will apply these changes from 1 January 2017. The Group considers this change will not have a significant impact on the consolidated financial statements.

At the date of preparation of these consolidated financial statements, amendments to IFRS has not yet been approved by the European Union.

Before the issuance date of this financial statements were published by IASB numerous standards and interpretations which haven't entered into force, but some of them were approved for use by European Commission. The Company did not decide to for early adoption of any of these standards.

c) Form of presentation of the consolidated financial statements

The consolidated financial statements are presented in Polish zloty (PLN), rounded up/down to full thousands.

The financial statements were prepared on the historical cost excluding valuation of derivative instruments and investment properties to their fair value.

The preparation of the IFRS financial statements requires the Management of the Company to make certain assumptions and estimates which are reflected in the accounting policy and that affect the reported amounts of assets and liabilities and reported revenues and expenses during the period. The results of the estimates and the respective assumptions being the result of experience and various factors deemed to be justified in given circumstances are the basis for assessing the values of assets or liabilities which do not result directly from other sources. The actual financial results may differ from the adopted estimates.

The estimates and the assumptions on which they are based are subject to current verification. The adjustment of accounting estimates is recognized in the period in which it was made, on condition that it only relates to that period, or in the period in which it was made, and in future periods, if it relates both to the current and future periods.

Note 30 describes the assessments made by the Management Board in connection with the use of IFRSs which have a significant impact on the financial statements and the estimates which are at risk of significant adjustments in the following period.

The accounting policies described above have been applied consistently in all the financial years covered by the consolidated financial statements, except for those instances were changes were made in connection to new standards and interpretations were applied. These policies have been applied consistently by all the entities constituting the Group.

d) Basis of preparation of the consolidated financial statements

Subsidiaries

Subsidiaries are entities in respect of which the Group is able to govern their financial and operating policies, which usually accompanies holding the majority of the total number of votes in an entity's decision-making body. In assessing whether the Group controls a given entity, the existence and impact of potential voting rights which may at a given time be exercised or exchanged is taken into account. Subsidiaries are consolidated under the acquisition method from the moment the Group takes full control over them. The entities cease to be consolidated when control ceases.

The acquisition of subsidiaries by the Group is accounted for under the purchase method. The acquisition cost is determined as the fair value of the assets transferred, the equity instruments issued and the liabilities incurred or transferred as at the exchange date, plus the cost directly related to the acquisition. Identifiable assets and liabilities, and contingent liabilities acquired under the business combination are initially measured at fair value as at the acquisition date, irrespective of the amount of the potential non controlling interests.

The excess of acquisition cost over fair value of the Group's share in the identifiable net assets acquired is recognized as goodwill. If the acquisition cost is lower than the fair value of net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Transactions, settlements and unrealized gains on intercompany transactions are eliminated. Unrealized losses are also eliminated unless the transaction proves the impairment of the given asset transferred. Accounting policies used by subsidiaries were changed where necessary to ensure compliance with the Group accounting policies.

Non-controlling interests and transactions with non-controlling interests

The Group accounted for transactions with non-controlling interests as for transactions with owners. Sales to non-controlling interests lead to recognizing the Group's gains or losses in the equity. Purchases from non-controlling interests don't lead to goodwill arising: the difference between the acquisition price and the respective share in the acquired net assets at their carrying amounts is presented also in equity.

In the case of acquisition from 2011 the Group presents non-controlling interest value according to independent fair value valuation which influences goodwill.

Associates

Associates are entities on which the Group exerts significant influence but which it does not control, which usually accompanies holding 20% to 50% of the general number of votes in the decision-making body of the entity. Investments in associates are accounted for according to the equity method and are initially stated at cost. The Group's investment in associates includes goodwill (net of any potential accumulated impairment write-downs), determined as at the acquisition date.

The Group's share in the results of the associates from the date of purchase has been recorded in the income statement and its share in movements in other equity items from the date of purchase has been recorded in other comprehensive income. The carrying value of the investment is adjusted for the total movements from the date of purchase. When the Group's share in the losses of an associate becomes equal or higher than the book value of Group's share in the associate, which covers potential unsecured receivables, the Group discontinues recognizing further losses unless it has assumed the obligation or has made payments on behalf of the given associate.

Unrealized gains on transactions between the Group and its associates are eliminated in proportion to the Group's share in the said entities. Unrealized losses are also eliminated unless the transaction proves that the given asset transferred has been impaired. Accounting policies used by subsidiaries were changed where necessary to ensure compliance with the Group accounting policies.

e) Going concern assumption

Information presented below should be read together with information provided in note 32 and 18, describing accordingly: significant post balance sheet events after December 31, 2015 and borrowings.

Consolidated financial statements for the period of 12 months ended December 31, 2015 were prepared in accordance with going concern assumption by the Group in foreseeable future, what assumes realization of assets and liabilities throughout the normal terms of Group business operations. Annual consolidated financial statements do not account for adjustments, which would be essential in such events. As at the date of consolidated financial statement issuance in assessment made by Group Parent Entity, there are no circumstances indicating threats for Group business going concern.

As it was described in note 21 "borrowings", financial liabilities resulting from loan agreement signed September 10, 2013 between AmRest Holdings SE, AmRest Sp. z o.o. and AmRest s.r.o. and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. (currently Bank BGŻ BNl Paribas S.A.) and ING Bank Śląski Polska S.A. Management of Group Parent Entity had analyzed cash-flows for 12 months since balance sheet date of December 31, 2015 and available financing scenarios. In note 30 Management presents analysis of liabilities repayment.

f) Foreign exchange trading

Functional currency and presentation currency

Each of the Group entities maintains financial reporting in the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Group entities operating in Poland is the Polish zloty, the functional currency of the Group entities operating in Czech is the Czech koruna, the functional currency of the Group entities operating in Hungary is the Hungarian forint, the functional currency of the Group entity operating in Russia is the Russian ruble, the functional currency of the Group entity operating in Bulgaria is the Bulgarian lev, the functional currency of the Group entity operating in Serbia is the dinar, the functional currency of the Group entities operating in Spain, Germany, France and Slovakia is the euro, the functional currency of the Group entity operating in Croatia is the kuna, the functional currency of the Group entities operating in China and in Hong Kong is yuan, the functional currency of the Group entity operating in the India is rupee, and the functional currency of the Group entities operating in the USA is the American dollar.

The Group presented its consolidated financial statements in Polish zloty. Polish zloty is the currency of presentation of Group and it is the functional currency of Equity holders of the parent.

Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rate prevailing as at the transaction date. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Polish zloty at the rate prevailing as at that date. Foreign exchange differences arising as a result of translating the transactions denominated in foreign currencies into Polish zloty were recognized in the income statement, except incomes and losses concerning hedging instrument, which constitutes effective hedge presented directly in other comprehensive income. Non-monetary assets and liabilities stated at historical cost and denominated in foreign currencies are translated using the exchange rate as of the transaction date.

Financial statements of foreign operations

The financial result and the financial position of all subsidiaries and associates whose functional currency is other than the presentation currency are translated to the presentation currency using the following procedures:

- assets and liabilities, including goodwill, and adjustments to fair value made during the consolidation are translated at the closing rate as at the balance sheet date;
- revenues and costs of foreign operations are translated at the mid exchange rate in the given period which approximately reflects translation at the exchange rates prevailing as at the transaction date;
- all the resulting foreign exchange differences are recognized in a separate item of equity.

Upon the disposal of the operations, foreign exchange differences are recognized in the income statement.

Foreign exchange differences arising on the measurement of net investments are recognized in other comprehensive income.

In the case of longterm financing based on intercompany loans with indefinite repayment date and with the lack of intention of Board of repayment the Group is classifying foreign exchange differences caused by them as part of equity concerning foreign exchange differences.

The functional currency of none of the subsidiaries is the currency of a hyperinflationary economy as at December 31, 2015.

g) Franchise, licence agreements and other fees

As described in note 1a), the Group operates restaurants on the basis of franchise agreements concluded with YUM! and its subsidiaries. In accordance with the franchise agreements, the Group is obliged to pay a non-reimbursable preliminary fee upon opening each new restaurant and further fees over the period of the agreement in the amount of 6% of sales revenues, and to allocate 5% of all revenues to advertising activities specified in the respective agreements. Moreover, after the end of the initial period of the franchise agreement, the Group may renew the franchise agreement after paying a renewal fee.

Non-reimbursable preliminary fees are in reality fees for the right to use the Pizza Hut and KFC trademark and are included in intangible assets and amortized over the period of the franchise (usually 10 years). Further payments made in the period of the agreement are disclosed in the income statement upon being made. Fees for extending the validity of the agreements are amortized as of the date of a given extension agreement coming into force.

Non-reimbursable preliminary fees currently amount to USD 48.8 thousand per each restaurant whereas the fees related to the renewal of an agreement were set at 50% of the preliminary fee for each of the restaurants, indexed over the period of a given franchise agreement being in force with the consumer Price Index in the USA (“US Consumer Price Index”).

The key terms and conditions of the franchise agreements which will be concluded with Burger King (note 1a)) were specified as follows:

- The license is granted for a 10-year period from the date when the restaurant begins operating. It will be capitalized as intangible asset and amortized during the franchise agreement period. The franchisee is entitled to extend the agreement for a further 10 years after meeting specified terms and conditions. This conditions were described in initial development agreement with AmRest Sp. z o.o. For restaurants opened in Poland after March 1, 2009 the license was extended from 10 to 20 years without option of prolongation for next 10 years.
- The Franchisee will transfer to the Franchiser a monthly license fee (franchise fee) of 5% of the sales revenue of the Burger King restaurants operated by the Franchisee. The fee will be added to the income statement when it incurred in category continuing franchise fees.
- The Franchisee will pay to the Franchiser a monthly fee for sales advertising and promotion of 5% of the sales revenue of the Burger King restaurants operated by the Franchisee. The fee will be added to the income statement when it incurred in category direct marketing costs.

The main fees and the costs which will be incurred by the Group in connection with the agreements concluded with Starbucks Coffee International , Inc. (note 1a)) are as follows:

- The fee for development and the fee for providing services of USD 950 thousand, relating to the preliminary operating support (settled from other assets into general and admin expenses of Starbucks subsidiaries).
- The preliminary franchise fee of USD 25 thousand per each opened Starbucks café (capitalized as intangible asset and amortized during the franchise agreement period).

- A fixed licence fee equal to 6% of sales revenues of each of the Starbucks cafés (added to the income statement when it incurred in category continuing franchise fees).
- The local marketing fee the amount of which will be determined annually between the parties to the agreements (added to the income statement when it incurred in category direct marketing costs).

New operating activities of the Group required the determination of following accounting principles:

- Generally the franchise agreement covers a 10 year period and provides an option of extension for another 10 (for agreements signed after 2006) or 5 years (for agreements signed before 2006). Some franchise agreements were signed for the period from 9 to 20 years.
- Revenues of the Group consist of sales by Company operated restaurants and fees from franchisees and license are recognized when payment is rendered at the time of sale.
- Fees for using own brand paid by franchisees to the Group as a 6% from the sales (continued fees) are recognized as earned.
- Intangible assets, covering relationships with franchise clients, recognized during the acquisition process are amortized within the average period of the contractual relationship with franchise clients.
- Own brands systematically as at the purchase date are analysed from the point of depreciation and amortisation periods. Currently:
    - La Tagliatella brand is treated as not amortized asset due to indefinite useful life, as a consequence of successful franchise activity,
    - Blue Frog brand is treated as amortized asset in 20-year period.

h) Property, plant and equipment

Property, plant and equipment owned by the Group

The initial value of the property, plant and equipment is recognized in the books of account at historical cost net of accumulated depreciation and potential impairment. The initial value of the property, plant and equipment manufactured internally covers the cost of materials, direct labour, and – if material – the initial estimate of the cost of disassembly and removal of the assets and of bringing the location to the condition it had been in before the lease agreement was signed.

The financial costs relating to the liabilities incurred to finance the purchase of property, plant and equipment are recognized in the income statement as interest expenses. This is due to the company's policy to most of the expenditure on property , plant and equipment adjusted arbitrarily after the date of delivery.

If the property, plant and equipment include material components with different useful lives, particular components are considered to be separate assets.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds from sale with carrying amounts and recognized in the income statement under „Gains/losses on disposal of property, plant and equipment".

Assets related to opening restaurants

Costs directly related to purchasing and manufacturing of assets („property, plant and equipment") connected with opening restaurants in given locations, including the costs of architecture design, legal assistance, wages and salaries, and benefits of employees directly involved in launching a given location are included in assets ("property, plant and equipment"). The Group includes in the value of restaurants costs mentioned above incurred from the moment when the completion of the project is considered likely. In the event of a later drop in the probability of launching the project at a given location, all the previously capitalized costs are transferred to the income statement. Costs directly related to purchasing and manufacturing of restaurants assets („property, plant and equipment") are depreciated over the expected useful life of the restaurant.

Those assets consider both costs incurred with use of leasehold improvements and in premises owned.

Group is not treating costs of external financing as element asset costs due the fact that mentioned assets are not qualified in accordance with IAS 23 revised.

Leased assets

The Group is a Lessee of property, plant and equipment. Leases of property, plant and equipment under which virtually all the risks and benefits in respect of the ownership are attributable to the Group are recognized as finance leases. The assets leased under finance leases are recognized in assets as at the date of commencement of the lease term at the lower of their fair values and present value of the minimum lease payments. Each lease payment is divided into the amount decreasing the balance of the liability and the amount of finance costs so as to maintain a fixed interest rate in respect of the remaining portion of the liability. The respective rental obligations net of finance costs are recognized in finance lease liabilities. The interest element of finance costs is charged to costs in the income statement over the period of the lease so as to obtain a fixed periodical interest rate in respect of the remaining portion of the liability. Property, plant and equipment acquired under financial leases are depreciated over the shorter of the economic useful life of the asset and the lease period.

Costs incurred after commissioning fixed assets

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Amortization and depreciation

Property, plant and equipment, including their material components, are depreciated on a straight-line basis over the expected useful life of the assets/components. Land and fixed assets under construction are not depreciated. The expected useful lives of assets are as follows:

• Buildings	30 – 40 years
• Costs incurred on the development of restaurants (including leasehold improvements and costs of development of the restaurants)	10 – 20 years*
• Plant and machinery	3–14 years
• Vehicles	4 –6 years
• Other property, plant and equipment	3–10 years

* shorter of 10 years and the lease term.
The residual value, depreciation method and economic useful lives are reassessed annually.

i) Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under point (i) up to the date of change in use.

j) Intangible assets

Computer software

Acquired licenses for computer software are capitalized on the basis of costs incurred to acquire and prepare specific software for use. These costs are amortized on the basis of the expected useful lives.

Favourable lease agreements

Favourable lease agreements were taken over in connection with the acquisition of subsidiaries and provide for lease fees lower than market fees. Favourable lease agreements are initially recognized at fair value and then at cost net of amortization and potential impairment (note 1p) of the accounting policies).

Trademark

Trademarks acquired in mergers or acquisitions are recognized in fair value as at the date of transaction. Trademarks have indefinite economic useful life and are not subject of amortization., but are subject to annual impairment tests individually or on cash generating unit level. Blue Frog brand has its useful life and is amortized.

Relationships with Franchisees

Relationships with Franchisees acquired under purchase and connections are recognized at fair value at the acquisition date . Relationships with Franchisees are each evaluated for life. At the present moment the Group has relationships with Franchisees arising as a result of the acquisition of the Spanish group.

Rights to the Pizza Hut, KFC, Burger King, Starbucks

See note 1g) of the accounting policies.

Other intangible assets

Other intangible assets are stated in the books of account at cost (purchase price or manufacturing cost) less accumulated amortization and potential impairment (See note 1p) of the accounting policies below).

Within the other intangible assets the exclusivity rights of brand operators on separated markets are presented.

Amortization

Intangible assets are amortized on a straight-line basis over the expected useful life of the assets if it is determined. Goodwill and other intangible assets whose expected useful lives cannot be specified are assessed annually for potential impairment (See note 1p) of the accounting policies below) and are not amortized. Other intangible assets are amortized as of the date of their availability for use.

The expected useful lives of assets are as follows:

• Computer software	3 - 5 years
• Favourable lease agreements	2 - 10 years*
• Trademark	5 - 10 years
• Own mark Blue Frog	20 years
• Rights to the Pizza Hut , KFC, Burger King and	10 years
• Relations with franchisees	20- 24 years**
• Exclusivity rights brand operator	8 - 12 years***
• Other intangible assets	5 -10 years

* favorable agreements are amortized over the period to the end of the agreement
**average period of franchise agreement
*** period of exclusivity rights

k) Goodwill

Business combinations are accounted for under the purchase method. Goodwill on consolidation represents the excess of the acquisition price of shares over the fair value of the corresponding portion of the net assets.

Goodwill on consolidation is disclosed in the books of account as intangible assets and measured at cost net of accumulated impairment write-downs. Goodwill is not amortized. Instead, it is allocated to cash generating units and checked annually for potential impairment of the asset (note 1p) of the accounting policies). Goodwill arising upon the acquisition of associates is recognized in the total carrying amount of the investments in associates.

In the case of acquisition from 2011 the Group presents non-controlling interest value according to independent fair value valuation which influence goodwill.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Expenses incurred to increase the goodwill created internally and trademarks created internally are recognized in the income statement upon being incurred.

l) Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity assets, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition and reviews this designation at every balance sheet date.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial instruments that are either designated in this category or not classified in any of the other categories described below. The Group does not maintain any investments classified as available-for-sale financial assets as at the end of each of the periods covered by these consolidated financial statements.

Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. Financial assets are classified to this category if acquired principally for selling in the short term or if so designated by the Management Board. Derivative financial instruments are also classified as “assets held for trading” unless they are designated as hedges. Assets in this category are classified as current assets if they are held for trading or if their realization is expected within 12 months from the balance sheet date. The Group does not maintain any investments classified as financial assets at fair value through profit or loss as at the end of each of the periods covered by these consolidated financial statements.

Financial assets held to maturity

This category covers financial assets which the Management Board decided would be maintained to maturity upon inception. Financial assets held to maturity are stated at amortized cost. The carrying amount of investments measured at adjusted purchase price (amortized cost) and is calculated as the amount due on maturity net of all non-amortized initial discounts or premiums.

Group does not have any financial assets held to maturity as at the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. They are recognized at amortized cost net of impairment write-downs and recognized as current assets in the balance sheet, under “Trade and other receivables” (See note (m) of accounting policies below), if they mature within 12 months of the balance sheet date.

Regular investment purchase and sale transactions are recognized as at the transaction date – the date on which the Group commits to purchase or sell a given asset. Investments are initially recognized at fair value plus transaction costs. This relates to all financial assets not measured at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and the transaction costs are recognized in the income statement. Financial assets recognized at fair value through profit or loss are derecognized when the rights to receive cash flows from the financial assets have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at adjusted purchase price (amortized cost using the effective interest method).

m) Trade and other receivables

Trade and other receivables include non-derivative financial assets not traded on an active market with fixed or determinable amounts to be repaid. These assets are initially recognized at fair value and then at amortized cost net of impairment (note 1p) of the accounting policies).

n) Inventories

Inventories include mainly materials and are stated at the lower of cost and net realizable value. The net selling price that can be obtained is construed as the estimated selling price achieved in the course of normal business activities, less estimated costs necessary to effect the sale. Inventory issues are accounted for on the FIFO basis. The cost of purchase of inventories includes costs directly related to purchasing and preparing the given asset for sale.

o) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

p) Impairment

As at each balance sheet date the Group verifies the carrying amount of assets other than inventories (See note (n) of the accounting policies) and deferred income tax assets (note x) of the accounting policies), to determine whether the assets do not show signs of impairment. If there are signs of impairment, the recoverable value of the assets is determined. In respect of assets whose economic useful life is not determined and assets which were not commissioned for use, and goodwill, the recoverable amount is determined as at each balance sheet date. Impairment write-downs are recognized in the books of account in the event that the present value of an asset or a group of assets generating specific cash flows exceeds their recoverable value. Impairment losses are recognized in the income statement.

Impairment write-downs of trade and other receivables are recognized when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of receivables. If there is such evidence, the impairment write-downs recognized in amortized cost of the receivables are determined as the difference between the value of the assets following from the books of account as at the measurement date and the present value of the expected future cash flows discounted using the effective interest rate of the financial instrument. Impairment losses are recognized in the income statement in the revaluation of assets.

The recoverable amount of the remaining assets is estimated at the higher of the fair value net of costs to sell and the value in use. Value in use is deemed to be the sum of discounted future cash flows which will be generated from the asset using the market discount rate before tax reflecting the time value of money and the risks characteristic for the given asset. If it is not possible to determine the future cash flows from a given asset, for the purpose of determining the value in use, a group of assets which includes the given asset, which generate specific cash flows, are taken into account. In such events, groups of cash-generating assets are deemed to be whole market in each country.

Potential impairment of a restaurant is considered to be the fact of its incurring an operating loss during the financial year. In such an event, the discounted future economic benefits which the given facility will generate are determined. Potential impairment is determined on the basis of discounted cash flows from core activities until the date of closing the facility, in consideration of the residual value.

Moreover, upon taking a decision to close a restaurant, the value of appropriate assets is reviewed for potential impairment, and the period in use of the assets is changed. At the same time, the Group recognizes potential liabilities related to the costs of giving notice of the lease of premises in the books of account.

In case of renovation, negotiation concerning change in location or other not typical events, the Group uses specific rules dependent on situation with specific treatment of particular restaurant.

Reversal of impairment write-downs

Impairment write-downs in respect of receivables recognized at amortized cost are reversed if the later increase in their recoverable value may be objectively attributed to an event which arose after the impairment was recognized.

Impairment write-downs in respect of goodwill cannot be reversed. In respect of other assets, impairment write-downs are reversible if there are premises indicating that the impairment has ceased to exist or decreased. Reversal of impairment should be made if estimates used to determine the recoverable value are changed.

Impairment write-downs are reversed only to the extent to which the carrying amount of an asset does not exceed the carrying amount it would be recognized at, net of depreciation, had the impairment not been recognized.

q) Loans and borrowings

Initially, borrowings are recognized in the books of account at the fair value net of transaction costs. Subsequently, borrowings are recognized in the books of account at amortized cost using the effective interest rate.

If borrowings are repaid before maturity, the resulting differences between (i) the determined costs and (ii) the present costs are recognized in the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

r) Share capital

Ordinary shares are included in equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

s) Employee benefits

Share-based payments

The Group has three share-based payment plans. The fair value of work performed by the employees for a consideration payable in options increases costs. The total amount which has to be taken to the income statements over the vesting period is based on the fair value of options received. As at each balance-sheet date entity verifies its estimates connected with number of options expected to vest. The impact of the potential verification of initial estimates is recognized by the Group in the income statement, in correspondence with equity. The proceeds from the exercise of options (net of transaction costs directly related to the exercise) are recognized in share capital (at nominal value) and in supplementary capital, in share premium.

For share-based payment transactions in which the terms of the arrangement provide either the entity / the Group or the counterparty with the choice of whether the entity settles the transaction in cash or by issuing equity instruments, the entity / the Group shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

In 2014 the share-based payment plans (plan 2) were modified so that it may be settled in cash instead of shares. As a result the group re-measures the liability at the date of change using the modification date fair value of the equity-settled award or the present value of the future cash outflows, based on the elapsed portion of the vesting period.

The subsequent settlement of the liability follows the requirements for a cash-settled share-based payment.

The liability will subsequently be measured at its fair value at every balance sheet date and recognised to the extent the service vesting period passed. In addition, the entity must ensure that at least the original grant date fair value of the equity instruments is recognised as an expense (share-based payment expense cannot be minimises or reduced by simply adding a cash alternative to the scheme when share price drops subsequent to the grant date).

At the date of settlement, the Group shall remeasure the liability to its fair value. The actual settlement method selected by the employees, will dictate the accounting treatment:

- if cash settlement is chosen, the payment will reduce the entirely recognised liability; Any equity component previously recognised will remain within equity, but it could be reclassified to other components of equity;
- if the settlement is in shares, the balance of the liability is transferred to equity, being consideration for the shares granted. Any equity component previously recognised shall remain within equity.

Long-term employee benefits dependent on their years in service

The net value of liabilities related to long-term employee benefits is the amount of future benefits which were vested in the employees in connection with the work performed by them in the current and past periods. The liability was accounted for based on the estimated future cash outflows, and as at the balance sheet date, the amounts take into consideration the rights vested in the employees relating to past years and to the current year.

Retirement benefit contributions

During the financial period, the Group pays mandatory pension plan contributions dependent on the amount of gross wages and salaries payable, in accordance with the binding legal regulations. The public pension plan is based on the pay-as-you-go principle, i.e. the Group has to pay contributions in an amount comprising a percentage part of the remuneration when they mature, and no additional contributions will be due if the Company ceases to employ the respective staff. The public plan is a defined contribution pension plan. The contributions to the public plan are disclosed in the income statement in the same period as the related remuneration, under “Payroll and employee benefits”.

Management incentive program for Group employees in local markets

During acquisition of the Spanish business, AmRest Group has issued management incentive program towards employees of Spanish group based on financial result for Spanish, Portugal and France markets. This plan provides minimal hurdle rate of Spanish business economic value increase, which surplus in comparison to reference value at acquisition date (April 28, 2011) in the moment of plan reconciliation, will be subject of benefit settlement. However the maximum value cannot exceed 10% of Spanish business value increase. As at the date of financial statement issuance the benefit plan pull was allocated in 33%. Management of the Group values this program according to best estimates, including forecasts Spanish business value and evaluation of plan settlement dates.

After acquisition of the Chinese business, AmRest Group has issued management incentive program towards employees of Chinese group based on financial result for Chinese market. This plan provides minimal hurdle rate of Chinese business value increase, which surplus in comparison to reference value in the moment of plan reconciliation, will be subject of benefit settlement. Benefit is vested and paid in two instalments 50% at the end of second year and 50% at the end of forth year. For one of employee minimum payout level is set for third and fifth year of continued employment. year Management of the Group values this program according to best estimates, including forecasts Spanish business value and evaluation of plan settlement dates.

t) Provisions

Provisions are recorded in the balance sheet if the Group has a legal or constructive obligation arising from past events, and if it is probable that the discharge of this obligation will result in an outflow of economic benefits. If the effect of the time value of money is material, the amount of the provision is determined as the expected future cash flows discounted using the discount rate before tax which reflects the time value of money and the potential risks related to a given obligation.

Provisions for liabilities caused by restructuring are set up when the Group has a detailed, official restructuring plan and the restructuring has already started or information on it was published. No provisions are set up for future operating expenses.

Costs of bringing the location to the condition it had been in before the lease agreement was signed

If the Group is obliged to bringing the location to the condition it had been in before the lease agreement was signed, the Company's Management Board analyzes this future costs and sets up provisions if the costs are material.

Onerous contracts

Provisions for onerous contracts are set up if the expected revenues of the Group resulting from the contracts are lower than the unavoidable costs resulting from obligations under the contracts. Unavoidable costs are lower amount from: penalty in the event of breaking the agreement and costs of contract realization.

u) Trade and other payables

These payables are initially recognized in the books of account at fair value, and subsequently at amortized cost.

v) Revenues

Restaurant sales, franchise sales and other sales constitute Goup revenues. Sales revenues comprise the fair value of the economic benefits received for the sale of goods, net of value-added tax. Sales of finished goods are recognized by the Group upon issuing them to the purchaser. Consideration for the goods is mainly in cash form.

w) Finance and operating leases

Operational leasing, rent costs

Leases whereby the major part of the risks and benefits from ownership remains with the lessor comprise operating leases. All the lease payments paid under the operating lease agreements are charged to costs on a straight-line basis over the period of the lease. The discounts received from lessors are recognized in the income statement in the same manner, as an integral part of lease fees.

Operating leases relate mainly to leases of premises where the restaurants operate. The respective costs are recognized in the income statement under "Lease costs and other operating expenses".

Finance lease

Leasing is classified as financial leasing, when according to signed agreement in overall all potential benefits and risk from ownership are passed towards leasee.

Amount due from finance leasing are presented in receivables position finance lease receivables in net value of investment. Incomes from finance lease are allocated to appropriate periods according to stable annual rate of return from Group investment due from finance lease.

Group as a leaseholder – please refer to point 1h) of accounting policies.

x) Income tax expense

The income tax shown in the income statement comprises the current and deferred part. The current portion of the income tax includes tax calculated on the basis of the taxable income for the current period using the income tax rates which have been enacted or substantially enacted as at the balance sheet date, and adjustments of the income tax liability from prior years.

Income tax expense is recognized in the income statement, with the exception of transactions accounted for in equity, in respect of which the tax is also recognized directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arose in respect of the initial recognition of an asset or liability under a transaction other than a business combination which has no impact on the profit/loss for accounting or tax purposes, it is not recognized. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax is not recognized upon the initial recognition of goodwill.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax provisions are recognized on temporary differences arising on investments in subsidiaries and associates, unless the reversal of temporary differences is controlled by the Group and it is improbable that in the foreseeable future the differences will be reversed.

y) Derivative financial instruments and hedge accounting

The Group sporadically uses derivative financial instruments to hedge against foreign exchange risk in operating and financing transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group designates certain derivatives as either:

- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing quarterly basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve in other comprehensive income are shown in note 17.

Cash flow hedge

The effective part of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within ‘other financial income or costs – net’.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within ‘other financial income or costs – net’.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Financial derivative included in non-financial host contract which meets criteria of embedded derivative is accounted as a separate derivative instrument and as such can be used as hedging instrument in cash flow or net investment hedge relationship.

z) Segment reporting

Business segments were set on the basis of internal managerial reports that are used by the Executive Committee while making strategic decisions. The Executive Committee analyze performance of the Group allocating owned resources according to given restaurants.

aa) Non-current assets held for sale

Non-current assets (or groups of assets) are classified as ‘held for sale’ and disclosed at the lower of: the carrying amount and the fair value net of the costs of preparing the asset for sale, if the carrying amount is realized mainly through the sale and not through on-going use.

bb) Business combinations of entities under joint control

Business combinations of entities or operations under joint control constitute business combinations under which all the combining businesses or operations ultimately come under the control of the same party or parties as they had been before the combination, and that control is not temporary. Such business combinations are accounted for under the pooling of interests method, i.e. they do not lead to adjustments to the fair values of particular assets or liabilities and in goodwill arising.

cc) Seasonal fluctuations in production and sales

The seasonal fluctuations in sales and inventory of the Group are not significant which is characteristic for the entire restaurant industry.

The lowest sales are recorded in the first quarter of the year, which is attributable primarily to fewer operating days in February and fewer people dining out. The next quarter in terms of sales is the second quarter, in which the restaurants achieve better results thanks to improving weather and a positive effect of the beginning of the holiday season in June. The highest sales are achieved at the end of the third and at the beginning of the fourth quarter. Very good performance in the third quarter is attributable to the increased tourist traffic. Autumn is traditionally a season when people tend to dine out more frequently, which translates into higher sales. An important time in the last three months of the year is the pre-Christmas period, when particularly high sales are reported by the restaurants situated in shopping malls.

2. Segment reporting

AmRest as a Group of dynamic developing entities running operations at many markets and various restaurant business segments is under constant analysis of the Executive Committee. This Committee is also constantly reviewing the way how business is analysed and adjust it accordingly to changing Group Structure as a consequence of strategic decisions. Operating segments are set on the basis of management reports used by the Executive Committee during making strategic decisions. The Executive Committee verifies group performance while deciding of owned resources allocations in breakdown AmRest Group for divisions.

Divisional approach is currently valid solution for strategic analysis and capital allocation decision making process by the Executive Committee. This breakdown is mainly a consequence of material Group development by acquisition of Restauravia Group in Spain, start of La Tagliatella proprietary brand development in new markets and acquisition of Blue Horizon Group in China. As for the balance sheet date the Executive Committee defines segments in presented below layout.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Segment	Description
CEE	Poland, Czech, Hungary, Bulgaria, Croatia, Romania and Serbia.
Spain	KFC and La Tagliatella restaurant operations, together with suply chain and franchise activity in Spain territory.
New markets	La Tagliatella activitiy in China, France, Germany and USA; Blue Frog and KABB restaurants in China.
Russia	KFC and Pizza Hut activity in Russia.
Unallocated	Consolidation adjsutments, asset and liability balances non-allocated to segments (covering borrowings and lease liabilities) and transactions of AmRest Holdings SE and subsidiary located in the Ukraine and following companies AmRest Capital Zrt, AmRest Finance Zrt and financial costs and incomes, share profit of associates, income tax, net income from continued operation, total net income.

Below are presented data relating to operating segments for the 12 months period ended December 31, 2015 and for the comparative period ended Decmeber 31, 2014.

	CEE	Spain	New Markets	Russia	Unallo-cated	Total
12 months ended December 31, 2015						
Revenue from external customers	1 987 790	704 412	243 700	402 838	-	3 338 740
Operating profit/ (loss)	157 777	94 386	(30 188)	14 001	(40 233)	195 743
Finance income	-	-	-	-	9 646	9 646
Finance costs	-	-	-	-	(43 694)	(43 694)
Share of profit of associates	588	-	-	-	-	588
Income tax	-	-	-	-	(4 944)	(4 944)
Deferred tax assets	23 521	2 100	-	-	7 731	33 352
Profit for the period	-	-	-	-	157 339	157 339
Segment assets	1 137 372	1 176 592	237 800	245 451	51 081	2 848 296
Investments in associates	828	-	-	-	-	828
Total assets	1 138 200	1 176 592	237 800	245 451	51 081	2 849 124
Goodwill	32 868	381 751	94 049	74 423	-	583 091
Segment liabilities	333 285	100 969	41 777	20 109	1 248 910	1 745 050
Employee benefits (note 19)	82 512	32 565	20 571	19 052	17 698	172 398
Depreciation (note 8)	117 710	36 211	17 810	25 203	-	196 934
Amortization (note 10)	13 333	11 058	1 282	1 100	174	26 947
Capital investment	228 747	48 496	26 119	38 094	140	341 596
Impairment of fixed assets (note 8,10)	1 785	4 345	6 966	153	-	13 249
Impairment of trade receivables (note 3,31)	740	407	1 512	(1)	20	2 678
Impairment of inventories (note 3,13)	(15)	33	112	-	-	130
Impairment of other assets (note 3)	-	(77)	868	-	-	791

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

	CEE	Spain	New Markets	Russia	Unallo-cated	Total
12 months ended December 31, 2014						
Revenue from external customers	1 727 723	621 559	192 511	410 858	-	2 952 651
Operating profit/ (loss)	96 448	86 836	(71 323)	14 946	(17 012)	109 895
Finance income	-	-	-	-	5 929	5 929
Finance costs	-	-	-	-	(50 688)	(50 688)
Share of profit of associates	195	-	-	-	-	195
Income tax	-	-	-	-	(19 261)	(19 261)
Deferred tax assets	22 242	6 192	-	-	-	28 434
Profit for the period	-	-	-	-	46 070	46 070
Segment assets	965 437	1 144 477	214 307	264 311	32 908	2 621 440
Investments in associates	403	-	-	-	-	403
Total assets	965 840	1 144 477	214 307	264 311	32 908	2 621 843
Goodwill	23 208	381 823	88 438	84 853	-	578 322
Segment liabilities	240 475	85 774	38 606	16 076	1 265 270	1 646 201
Employee benefits (note 19)	69 060	29 472	10 357	18 251	4 629	131 769
Depreciation (note 8)	111 600	31 721	16 276	24 948	-	184 545
Amortization (note 10)	8 081	11 011	1 272	1 061	95	21 520
Capital investment (note 8,10)	138 475	59 374	28 877	91 340	217	318 283
Impairment of fixed assets (note 8,10)	12 785	323	17 740	2 177	-	33 025
Impairment of trade receivables (note 3, 31)	1 993	195	1 015	85	-	3 288
Impairment of inventories (note 3, 13)	20	792	318	-	-	1 130
Impairment of other assets (note 3)	781	(7)	2 197	-	-	2 971

Capital expenditure comprises increases and acquisition in property, plant and equipment (note 8), intangible assets (note 10).

The "CEE" column relates to companies located in Poland, Czech, Bulgaria, Romania, Serbia, Croatia and Hungary. Poland as significant geographical region has the following key values:

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Revenue from external customers	1 331 156	1 193 706
	31.12.2015	**31.12.20153**
Total of non-current assets other than financial instruments, deferred tax assets (employment benefit asset and rights under insurance contracts are not recorded)	538 297	514 012

Value of assets and liabilities and results of given reporting segments have been established on the basis of Group accounting policies, compliant with policies applied for preparation of this financial statements.

Goodwill was allocated to given reporting segments. For goodwill testing purposes the Group complies with policy described in p).

Business combinations

Entrance into Romania restaurant market and strengthening Bulgaria presence – acquisition of Starbucks operators

DESCRIPTION OF THE ACQUISITION

As at June 24, 2015 Group has acquired by AmRest sp. z o.o. from Marinopoulos Coffee SEE B.V. 100% shares in both S.C. Marinopoulos Coffee Company III S.r.l. (currently AmRest Coffee S.r.l.) and Marinopoulos Coffee Company Bulgaria EOOD (currently AmRest Coffee EOOD) for PLN 67.168 thousands (EUR 16.4 million). Transaction was based on agreement signed as at March 4, 2015.

AmRest Coffee S.r.l. and AmRest Coffee EOOD are the only Starbucks operators on Romania and Bulgaria teritories owing at acquisition date 18 and 5 coffeeshops accordingly.

As a result of the transaction mentioned above the Group has strengthened its presence on Central European market and accelerated development of the Starbucks brand. Entrance into Romanian market, being the second in the Central Europe, with brand in which operations Group is experienced, echoes strategic directions. Expansion of existing business in Bulgaria facilitates expectations of economies of scale, improvements, offer enhancement and optimizations.

PROVISIONARY ALLOCATION OF THE ACQUISITION PRICE

Details of the fair value of the acquired net assets, goodwill and acquisition price as at the acquisition date are presented below (PLN thousands):

S.C. Marinopoulos Coffee Company III S.r.l. (currently AmRest Coffee S.r.l.)	**Carrying amount**	**Adjustment of fair value and other adjustments**	**Fair value**
Cash and cash equivalents	2 713	-	2 713
Property, plant and equipment	11 708	102	11 810
Other intangible assets	1 359	-	1 359
Other intangible assets - exclusivity right of Starbucks brand operator	-	49 412	49 412
Other non-current assets	1 311	-	1 311
Inventories	2 603	-	2 603
Trade and other receivables	854	-	854
Loans granted	6 054	-	6 054
Other current assets	1 657	-	1 657
Deferred tax liability	-	(7 768)	(7 768)
Provisions	-	(4 851)	(4 851)
Trade and other payables	(14 985)	(1 929)	(16 914)
Net assets acquired	13 274	34 966	48 240

Amount paid in cash	67 164
Purchase price adjustment (note 15)	(9 557)
Total payment for acquisition	57 607
The fair value of net assets	48 240
Goodwill	9 367
Amount paid in cash	(67 164)
Acquired cash and cash equivalents	2 713
Cash outflows on acquisition	(64 451)

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Marinopoulos Coffee Company Bulgaria EOOD (currently AmRest Cofee EOOD)	**Carrying amount**	**Adjustment of fair value and other adjustments**	**Fair value**
Cash and cash equivalents	430	-	430
Property, plant and equipment	1 114	-	1 114
Other intangible assets	274	-	274
Other intangible assets - exclusivity right of Starbucks brand operator	-	1 260	1 260
Other non-current assets	38	-	38
Inventories	606	-	606
Trade and other receivables	372	-	372
Other current assets	1	-	1
Loans and borrowings	(6 054)	-	(6 054)
Trade and other payables	(2 810)	-	(2 810)
Net assets acquired	(6 029)	1 260	(4 769)
Amount paid in cash			4
Purchase price adjustment (note 15)			(4 773)
Total payment for acquisition			(4 769)
The fair value of net assets			(4 769)
Goodwill			0
Amount paid in cash			(4)
Acquired cash and cash equivalents			430
Cash flow on acquisition			426

Fair value adjustment are as follows:

	Title	**Methods/key assumptions**
Other intangible assets	Identification of exclusivity right of Starbucks brand operator in Romania and Bulgaria	Independent valuation based on MEEM method (accordingly for Romania and Bulgaria: significance of exclusivity right 46.7% and 22.4%; WACC 12.4% and 8.58%)
Property plant and equipment	Impairment provision on unused assets	Asset count
Provisions	Potential long term tax exposures from previous periods	Management estimate - based on due dilligence report
Trade and other payables	Liabilities recognition	Assessment and review of liabilities recognition
Deferred tax liability	Deferred tax on net assets fair value	16 % income tax rate

The fair value and the other adjustments presented in the table above relate mainly to:

- fair value measurement of intangible assets;

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

- fair value measurement of tangible assets;
- fair value measurement of provisions and trade and other payables;
- fair value measurement of deferred tax liability.

Fair value adjustments resulted from independent appraisal prepared in order to apply acquisition method to the aforementioned transaction.

As at the date of acquisition transaction in purchase price allocation a management estimate of consideration adjustment was included. It was done accordingly to the agreement, were the hedge of asset settlement will be secured with Escrow account funds.

Goodwill was calculated on the basis of the fair value of acquired net assets and refers mainly to benefits from access to Romanian coffeshop market clients, experienced management team and opportunity to develop other business concepts on Romania market.

The process of allocating the acquisition price to the purchased assets and acquired liabilities has not been completed due the ongoing process of integration and verification of certain risks, especially tax settlements and owned business assets portfolio. Due to this fact fair values of assets and liabilities, purchase price and goodwill was presented provisionary.

IMPORTANT TERMS OF ACQUISITION AGREEMENT
All purchase price adjustments result from specific arrangements with the seller according to the Agreement. Agreement on 100% share acquisition in S.C. Marinopoulos Coffee Company III S.r.l. (currently AmRest Coffee S.r.l.) and Marinopoulos Coffee Company Bulgaria EOOD (currently AmRest Coffee EOOD) required opening of escrow account for 18 months after transaction execution date. The escrow account covered part of the acquisition price in value of PLN 13.642 thousands (EUR 3.3 million) and was provided for settling of potential adjustments resulting from certain events after acquisition but caused before that.

In result of exercise the terms of acquisition agreement, on 26 February 2016 the Group received total amount from the escrow account, which confirms relevance of including asset from price adjustment in the settlement. Therefore the Group adjusted acquisition price in the consolidated financial statements for the year ended 31 Decemeber 2015.

INFLUENCE OF THE ACQUISITION ON THE CONSOLIDATED INCOME STATEMENT
As the acquisition of Marinopoulos Coffee Company Bulgaria EOOD (presently AmRest Coffee EOOD) and S.C. Marinopoulos Coffee Company III S.r.l. (presently AmRest Coffee S.r.l.) occurred in last days of June 2015, the results of acquired assets for the first six months of 2015 have not been reported in the financial statements. If described above acquisition would have happened as at January 1, 2015 estimated consolidated revenues for the 12 months ended December 31, 2015 r would grew by PLN 25.726 thousand and net profit would grew by PLN 1.759 thousand. In period for the 12 months ended December 31, 2015 the cost of PLN 720 thousand related to the transaction has been recognized as general and administrative expense.

3. Operating expenses

Operating expenses are as follows:

	For the 12 months ended December 31, 2015	**For the 12 months ended December 31, 2014**
Depreciation (note 2, 8)	196 934	184 545
Amortization (note 2,10)	26 947	21 520
Food and materials	1 118 475	1 009 487
Utilities	126 063	112 799
External services, including marketing	265 180	229 979

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Payroll	715 156	651 327
Social security and employee benefits	172 398	131 769
Operating leases (occupancy cost) (note 24)	315 097	280 122
Continuing franchise fees	153 366	136 881
Insurance	3 042	3 751
Business travel	16 855	16 201
Other	43 142	32 076
	3 152 655	**2 810 457**
The costs of food	972 180	886 838
Payroll and employee benefits	686 198	609 537
Cost of license fees (franchise)	153 366	136 881
Occupancy and other operating expenses	947 981	868 891
Total restaurant expenses	**2 759 725**	**2 490 147**
Depreciation and amortization expenses (Franchise and other expenses)	11 173	11 003
Total Franchise and other expenses	130 157	113 948
Depreciation and amortization expenses (G&A)	14 520	9 883
Other general and administrative expenses	237 080	185 476
	3 152 655	**2 810 457**
Gain/loss from fixed assets disposal (note 8)	(320)	11 339
	3 152 335	**2 821 796**

In current and previous period impairment costs were as follows:	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Impairment on trade receivables (note 31)	2 678	3 288
Impairment on inventory (note 13)	130	1 130
Impairment on other assets	791	2 971
Total impairment of non-current assets	**3 599**	**7 389**
Impairment of property, plant and equipment (note 8)	13 081	31 991
Impairment of intangible asset (note 10)	168	1 034
Total impairment of non-current assets	13 249	33 025
Total impairment of assets	**16 848**	**40 414**

In 2015 marketing costs were incurred of the value of PLN 129.667 thousand, in 2015 they amounted to PLN 116.398 thousand.

4. Other operating income

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Sublease income (note 24)	1 302	930

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Marketing income	6 147	6 976
Sales of logistics services	427	144
Reversal of cost accruals	958	2 305
PFRON income	-	2 218
Income from recycling	1 535	1 355
Income from direct taxes correction	12 048	2 283
Other operating income	3 769	3 243
	26 186	**19 454**

5. Finance income

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Income from bank interest	3 223	3 403
Net income from foregin exchange differences	5 204	2 181
Other	1 219	345
	9 646	**5 929**

6. Finance costs

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Interest expense	(36 508)	(43 523)
Cost from arrangement fee	(3 555)	(3 431)
Other	(3 631)	(3 734)
	(43 694)	**(50 688)**

7. Income tax expense

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Current tax	(19 154)	(39 422)
Change in deferred tax assets/liabilities	18 017	23 422
Change in deferred tax assets/liabilities directly reported in equity – hedge instruments valuation	(91)	(3 261)
Change in deferred tax assets/liabilities directly reported in equity – liability valuation of employee benefits	(3 716)	-
Deferred tax recognized in the income statement	**(4 944)**	**(19 261)**

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Deferred tax asset		
Opening balance	28 434	21 796
Closing balance	33 352	28 434
Deferred tax liability		
Opening balance	103 591	120 375

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Closing balance	90 492	103 591
Change in deferred tax assets/liabilities	**18 017**	**23 422**
Of which		
Deffered income tax recognized in income statement	21 977	20 161
Deffered income tax regarding titles directly reported in goodwill (note 2)	(7 767)	-
Deffered income tax regarding titles directly reported in equity	3 807	3 261

	The income tax rates in force in the Group are as follows:		**Deferred income tax assets and liabilities for were calculated using the following rates:**	
	2015	**2014**	**2015**	**2014**
Poland	19.00%	19.00%	19.00%	19.00%
Czech	19.00%	19.00%	19.00%	19.00%
Hungary	10.00%	10.00%	10.00%	10.00%
Ukraine	18.00%	18.00%	18.00%	18.00%
Russia	20.00%	20.00%	20.00%	20.00%
Serbia	15.00%	15.00%	15.00%	15.00%
Bulgaria	10.00%	10.00%	10.00%	10.00%
USA	37.44%	37.44%	37.44%	37.44%
Spain	25.00%	28.00%	25.00%	28.00%
Germany	15.00%	15.00%	15.00%	15.00%
France	33.33%	33.33%	33.33%	33.33%
Croatia	20.00%	20.00%	20.00%	20.00%
Hong Kong	16.50%	16.50%	16.50%	16.50%
China	25.00%	25.00%	25.00%	25.00%
Romania	16.00%	-	16.00%	-

In Hungary the base tax rate is 19%. The Group uses 10% tax rate due to a tax base up to HUF 500 million.

Income tax on the Group's profit before tax differs from the theoretical amount which would be obtained if the weighted average tax rate applicable to consolidated companies were applied:

	For the 12 months ended December 31, 2015	**For the 12 months ended December 31, 2014**
Profit before tax	162 283	65 331
Income tax calculated according to domestic tax rates applicable to income in particular countries	26 611	6 660
Effect of permanent differences non tax deductible	(12 948)	4 627
Utilization of tax losses not recognized in the prior periods	(14 161)	(135)
Tax loss for the current period for which no deferred tax asset was recognized	1 428	2 626
Effect of the remaining differences	4 014	5 483
Corporate income tax in the income statement	**4 944**	**19 261**

The applicable weighted average tax rate amounted to 16.40% (for the period ended December 31, 2014: 10.20%).
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The current financial situation and strategic plans allow to consider the level of recognized assets and deferred tax assets to be reasonable. Before the offset, the following amounts are disclosed in the consolidated financial statements:

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

	31.12.2015	**31.12.2014**
Deferred tax asset:		
Deferred tax asset to be recovered after more than 12 months	5 315	10 120
Deferred tax asset to be recovered within 12 months	28 037	18 314
	33 352	**28 434**
Deferred tax liability:		
Deferred tax liability to be used after more than 12 months	73 619	92 761
Deferred tax liability to be used within 12 months	16 873	10 830
	90 492	**103 591**

Temporary differences before the offset accounted for in the calculation of deferred tax relate to the following items:

	Asset		Liability	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Property, plant and equipment and intangible assets	18 253	8 377	114 270	114 862
Receivables	2 515	-	238	210
Provisions, liability and impairments	19 516	9 456	-	-
Tax loss carryforwards	10 966	12 608	2 013	1 225
Other differences	9 906	12 169	1 774	1 469
	61 156	**42 610**	**118 295**	**117 766**

Temporary differences after the offset are as follows:

	Asset		Liability	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Property, plant and equipment and intangible assets	3 999	3 805	100 018	110 291
Receivables	(238)	(210)	(2 515)	-
Provisions, liability and impairments	18 498	9 383	(1 018)	(73)
Tax losses	4 110	5 483	(4 843)	(5 901)
Other differences	6 983	9 973	(1 150)	(726)
	33 352	**28 434**	**90 492**	**103 591**

As at December 31, 2015 and December 31, 2014, tax loss carry forwards are as follows:

	31.12.2015	31.12.2014
Poland	35 287	36 718
Hungary	24 881	28 518
France	31 806	54 545
Germany	61 379	21 995
USA	-	43 378
Croatia	2 348	2 343
Ukraine	518	717
China	7 751	2 455
Bulgaria	13 382	8 704
Serbia	1 848	1 865
Russia	23 440	26 725
	202 640	227 963

Year of expiry of tax loss carryforwards	Value of tax losses	Tax losses in respect of which deferred tax assets were recognized	Tax losses in respect of which no deferred tax assets were recognized
2016	9 845	1 513	8 332

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

2017	9 397	1 558	7 839
2018	16 738	11 301	5 437
2019	13 734	10 166	3 568
2020	3 151	-	3 151
2024	23 440	14 527	8 913
No time limit	126 335	22 684	103 651
	202 640	61 749	140 891

As at December 31, 2015 the Group recognized a deferred tax asset from tax losses in the amount PLN 4.110 thousand. The reason for not recognizing the remaining portion of the deferred tax asset was, among other things, the inability to utilize the losses.

A tax authority may control tax returns (if they have not already been controlled) of Group companies from 3 to 5 years of the date of their filing.

On June 28, 2012 began the inspection of corporate income tax for 2010 in AmRest Sp. z o.o. and was ended up by decision issued on October 6, 2014. As at May 6, 2015 Regional Administrative Court (WSA) in Wroclaw, has dismissed Company complaint and support first instance decision. Date of the hearing before the WSA till the date of the Financial Statement has not been determinated. This judgment is the subject of a cassation appeal to the Supreme Administrative Court (WSA). The date of the hearing before the Supreme Administrative Court has not been determined to the date of the financial statements.

On September 29, 2014 was began the fiscal control on tax returns for the period from January 1, 2010 to December 31, 2012 in AmRest OOO. It was ended with a decision issued on December 19, 2014. The allegations presented in a decision of the first instances and second instance are the subject of the appeal. Appeal first hearing is scheduled for March 21 2016.

8. Property, plant and equipment

The table below presents changes in the value of property, plant and equipment in 2015 and 2014:

2015	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
Gross value							
As at As at 01.01.2015	21 414	1 123 225	606 464	3 939	97 869	68 514	**1 921 425**
Acquisition	-	5 859	2 626	-	4 439	-	**12 924**
Additions	-	75 825	48 697	2 872	15 806	112 871	**256 071**
Transfers	-	77 418	36 217	-	9 565	(123 200)	**-**
Disposals	-	(20 576)	(20 555)	(691)	(7 352)	-	**(49 174)**
Foreign exchange differences	(1 340)	(5 915)	(3 443)	9	(382)	(1 117)	**(12 188)**
As at 31.12.2015	20 074	1 255 836	670 006	6 129	119 945	57 068	**2 129 058**
Accumulated depreciation							
As at 01.01.2015	-	441 710	299 403	1 621	43 114	-	**785 848**
Additions	-	100 621	75 288	1 204	19 821	**-**	**196 934**
Disposals	-	(15 419)	(19 414)	(480)	(6 040)	-	**(41 353)**
Foreign exchange differences	-	(1 736)	(3 388)	(43)	(426)	-	**(5 593)**
As at 31.12.2015	-	525 176	351 889	2 302	56 469	-	**935 836**
Impairment write-downs							

As at 01.01.2015	-	86 538	26 961	-	2 226	3 523	**119 248**
Additions	-	7 616	1 990	-	1 254	2 221	**13 081**
Disposals	-	(1 055)	(605)	-	-	(912)	**(2 572)**
Foreign exchange differences	-	1 922	1 071	-	53	400	**3 446**
As at 31.12.2015	-	95 021	29 417	-	3 533	5 232	**133 203**
Net book valuet As at 01.01.2015	**21 414**	**594 977**	**280 100**	**2 318**	**52 529**	**64 991**	**1 016 329**
Net book value As at 31.12.2015	**20 074**	**635 639**	**288 700**	**3 827**	**59 943**	**51 836**	**1 060 019**

2014	Land	Buildings and expenditure on development of restaurants	Machinery & equipment	Vehicles	Other tangible assets	Assets under construction	**Total**
Gross value							
As at 1.01.2014	22 920	942 394	544 691	3 463	140 154	100 409	**1 754 031**
Additions	6 273	139 399	82 636	525	18 442	52 522	**299 797**
Transfers	(2 368)	69 875	25 021	-	(55 570)	(36 958)	**-**
Disposals	-	5 992	(24 346)	(96)	(4 344)	(39 623)	**(62 417)**
Foreign exchange differences	(5 411)	(34 435)	(21 538)	47	(813)	(7 836)	**(69 986)**
As at 31.12.2014	21 414	1 123 225	606 464	3 939	97 869	68 514	**1 921 425**
Accumulated depreciation							
As at 1.01.2014	-	352 326	247 093	1 317	56 053	-	**656 789**
Additions	-	99 788	67 289	685	16 783	**-**	**184 545**
Transfers	-	15 843	9 749	-	(25 592)	**-**	**-**
Disposals	-	(16 843)	(17 440)	(393)	(4 351)	-	**(39 027)**
Foreign exchange differences	-	(9 404)	(7 288)	12	221	-	**(16 459)**
As at 31.12.2014	-	441 710	299 403	1 621	43 114	-	**785 848**
Impairment write-downs							
As at 1.01.2014	-	67 590	21 079	-	686	2 178	**91 533**
Additions	-	29 357	4 596	-	1 296	713	**35 962**
Disposals	-	(12 835)	(165)	-	216	(184)	**(12 968)**
Foreign exchange differences	-	2 426	1 451	-	28	816	**4 721**
As at 31.12.2014	-	86 538	26 961	-	2 226	3 523	**119 248**
	-	-	-	-	-	-	**-**
Net book value as at 31.12.2014 after acquisition	**22 920**	**522 478**	**276 519**	**2 146**	**83 415**	**98 231**	**1 005 709**
Net book value as at 31.12.2014	**21 414**	**594 977**	**280 100**	**2 318**	**52 529**	**64 991**	**1 016 329**

The property, plant and equipment listed below cover assets in finance lease, where the Group is the lessee:

	Land	Buildings	Machinery & equipment	Vehicles	Other tangible assets	**Total**
Gross value as at 31.12.2015	935	7 777	36	3 223	-	11 971
Accumulated depreciation As at 31.12.2015	-	(2 163)	(36)	(938)	-	(3 137)
Impairment As at 31.12.2015	-	(756)	-	-	-	(756)

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Net value as at 31.12.2015	935	4 858	-	2 285	-	8 078
Gross value as at 31.12.2014	912	7 700	36	1 243	-	9 891
Accumulated depreciation As at 31.12.2014	-	(2 076)	(36)	(442)	-	(2 554)
Impairment As at 31.12.2014	-	(756)	-	-	-	(756)
Net value as at 31.12.2014	912	4 868	-	801	-	6 581

The table below presents the calculation of the loss on sale of property, plant and equipment and intangible assets in the period of 12 months ended December 31, 2015 and 2014:

	For the 12 months ended December 31, 2015	**For the 12 months ended December 31, 2014**
Proceeds from the sale of property, plant and equipment and intangible assets	5 599	324
Net cost of property, plant and equipment and intangible assets sold	(3 283)	(926)
Loss on sale of non-financial non-current assets and non-current assets held for sale	**2 316**	**(602)**
Net cost of property, plant and equipment and intangible assets disposal	(1 996)	(10 737)
Loss on disposal and sales of non-financial non-current assets and non-current assets held for sale	**320**	**(11 339)**

The depreciation was charged to the costs of restaurant operations – PLN 188.575 thousand (prior period: PLN 180.637 thousand), franchise expenses and other – PLN 3.629 thousand (prior period: PLN 3.432 thousand) and administrative expenses PLN 4.730 thousand (prior period: PLN 476 thousand).

The recoverable amount of an asset is determined at the level of a single restaurant as the smallest unit (or set of assets) generating cash flows that are largely independent of the cash inflows generated by other assets / group assets.

The recoverable amount of the cash generating unit was determined based on value in use calculation using the discount rate for each individual country.

	The pre-tax discount rate	Budgets average EBITDA margin	Expected long-term growth rate used to calculate the planned future results	The pre-tax discount rate	Budgets average EBITDA margin	Expected long-term growth rate used to calculate the planned future results
	Year 2015			Year 2014		
Poland	10.17%	Determined individually for each individual restaurant		8.97%	Determined individually for each individual restaurant	
Czech Republic	7.95%			6.89%		
Hungary	11.61%			11.42%		
Russia	22.59%			19.88%		
Serbia	14.76%			15.57%		
Bulgary	10.16%			10.28%		
USA	10.28%			9.75%		
Spain	11.13%			11.61%		
Germany	7.83%			6.82%		
France	9.49%			8.50%		
Croatia	13.28%			12.55%		
China	11.40%			11.08%		
Romania	11.86%			9.97%		

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

9. Investment property

The table below presents changes in the value of investment property in 2015 and 2014:

	31.12.2015	31.12.2014
Gross value		
At the beginning of the period	22 152	22 152
Increases	-	-
At the end of the period	22 152	22 152
Impairment write-downs		
At the beginning of the period	-	-
At the end of the period	-	-
Net value at the beginning of the period	**22 152**	**22 152**
Net value at the end of the period	**22 152**	**22 152**

The valuation of fair value performed with discounted cash flows method did not differ materially to the balance sheet amount. In Management Board's opinion there have not occured any indicators for update of valuation in 2015.

Results connected with investment properties are presented below:

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Sublease income	2 297	2 039
Investment property costs	(1 007)	(942)
Operating profit	**1 290**	**1 097**

10. Other intangible assets

The table below presents changes in the value of intangible assets in 2015 and 2014:

2015	Proprietary brands	Favou-rable leases and licence agree-ments	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, La Tagliatella trademarks	Other intangible assets	Relations with franchisees	Total
Gross value						
As at 1.01.2015	298 441	6 260	64 926	95 574	183 278	**648 659**
Acquisition	-	-	1 627	50 678	-	**52 305**
Increases	-	-	7 687	12 609	-	**20 296**
Decreases	-	-	(299)	(4 910)	-	**(5 209)**
Foreign exchange differences	1 256	(3)	(670)	816	(34)	**1 365**
As at 31.12.2015	299 697	6 257	73 271	154 947	183 244	**717 416**

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

2015	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, La Tagliatella trademarks	Other intangible assets	Relations with franchisees	**Total**
Accumulated amortization						
As at 1.01.2015	2 253	4 193	31 158	49 183	28 000	**114 787**
Increases	1 326	1 053	5 254	11 819	7 496	**26 947**
Decreases	-	-	(838)	(886)	-	**(1 704)**
Foreign exchange differences	132	15	18	124	137	**426**
As at 31.12.2015	3 711	5 261	35 592	60 260	35 632	**140 456**
Impairment write-downs						
As at 1.01.2015	101	-	1 414	4 287	-	**5 802**
Increases	-	-	112	56	-	**168**
Decreases	-	-	-	(3 480)	-	**(3 480)**
Foreign exchange differences	-	-	6	355	-	**361**
As at 31.12.2015	101	-	1 532	1 218	-	**2 851**
Net value as at 1.01.2015	**296 087**	**2 067**	**32 354**	**42 284**	**155 278**	**528 070**
Net value as at 31.12.2015	**295 885**	**996**	**36 147**	**93 469**	**147 612**	**574 109**

2014	Proprietary brands	Favourable leases and licence agreements	Licenses for use of Pizza Hut, KFC, Burger King, Starbucks, Applebee's, La Tagliatella trademarks	Other intangible assets	Relations with franchisees	**Total**
Gross value						
As at 1.01.2014	288 373	6 386	58 850	86 866	178 330	**618 805**
Increases	-	-	9 133	9 353	-	**18 486**
Decreases	-	-	(363)	(1 722)	-	**(2 085)**
Foreign exchange differences	10 068	(126)	(2 694)	1 257	4 948	**13 453**
As at 31.12.2014	298 441	6 260	64 926	95 754	183 278	**648 659**
Accumulated amortization						
As at 1.01.2014	947	3 206	26 920	43 200	19 814	**94 087**
Increases	1 073	1 079	4 891	6 978	7 499	**21 520**
Decreases	-	-	(181)	(1 476)	-	**(1 657)**
Foreign exchange differences	233	(92)	(472)	481	687	**837**
As at 31.12.2014	2 253	4 193	31 158	49 183	28 000	**114 787**
Impairment write-downs						

As at 1.01.2014	101	-	1 207	3 678	-	**4 986**
Increases	-	-	315	773	-	**1 088**
Decreases	-	-	(114)	(628)	-	**(742)**
Foreign exchange differences	-	-	6	464	-	**470**
As at 31.12.2014	101	-	1 414	4 287	-	**5 802**
Net value as at 1.01.2014	**287 325**	**3 180**	**30 723**	**39 988**	**158 516**	**519 732**
Net value as at 31.12.2014	**296 087**	**2 067**	**32 354**	**42 284**	**155 278**	**528 070**

Other intangible assets cover mainly computer software and exclusivity rights.

Own brands value (La Tagliatella) with indefinite useful life as at December 31, 2015 was equal PLN 277.050 thousand and as at December 31, 2014 PLN 277.101 thousand.
The amortization was charged to the costs of restaurant operations – PLN 9.613 thousand (prior period: 4.542 PLN thousand), franchise expenses and other – PLN 7.544 thousand (prior period: PLN 7.537 thousand) and administrative expenses - PLN 9.790 thousand (prior period: PLN 9.407 thousand).

Impairment testing of own brands

As at December 31, 2015, the Group conducted own brand value (La Tagliatella) impairment tests with respect to the acquisitions of businesses in Spain.

The cash generating units ia activity connected La Tagliatella brand. The recoverable amount of the cash generating unit was determined based on value in use calculation using the discount rate in Spain.

The recoverable value of the cash generating units is based on calculations of their value in use. The calculation uses expected future cash flows assessed on the basis of historical results and expectations as to the development of the market in the future included in the business plan.

Expected cash flows for identified cash generating units were prepared on the basis of assumptions made derived from historical experience adjusted for realized plans and undertaken actions together with adjustment for valid liabilities and assessments of changes in client behaviors.

Impairment testing was realized taking into consideration following assumptions:

	2015	2014
Discount rate before tax	11.13%	11.61%
Budgeted average EBITDA margin	19.34%	19.70%
Expected mid-term growth rate used for the calculation of planned future results	19.73%	18.29%
Residual growth rate	2.00%	2.00%

If discount rates in period of 12 months ended December 31, 2015 were bigger/smaller by 3 percentage points, it would not result in recognition of additional impairment provision.

If Ebitda in period of 12 months ended December 31, 2015 were bigger/smaller by 3 percentage points, it would not result in recognition of additional impairment provision.

11. Goodwill

The table below presents changes in the value of goodwill:

	31.12.2015	**31.12.2014**

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Gross value		
At the beginning of the period	579 769	603 137
Acquisition (note 2)	9 367	-
Foreign exchange differences	(4 670)	(23 368)
At the end of the period	584 466	579 769
Impairment write-downs		
At the beginning of the period	1 447	1 793
Foreign exchange differences	(72)	(346)
At the end of the period	1 375	1 447
Net book value as at the beginning of the period	**578 322**	**601 344**
Net book value as at the end of the period after adjustment	**583 091**	**578 322**

Acquisitions in previous years

Below table presents changes of goodwill in division of particular acquisitions as at December 31, 2015 and December 31, 2014.

	Acquisition date	**As at 01.01.2015**	Acquisition	Foreign exchange differences	**As at 31.12.2015**
miklik's food s.r.o.	May 2005	5 506	-	144	5 650
AmRest Kft (previously: Kentucky System Kft)	June 2006	16 790	-	78	16 868
OOO AmRest (previously: OOO Pizza Nord)	July 2007	66 204	-	(8 084)	58 120
9 restaurants RostiksKFC	April 2008	16 514	-	(2 078)	14 436
5 restaurants RostiksKFC	June 2008	2 136	-	(269)	1 867
SCM Sp.z o.o.	October 2008	911	-	-	911
Restauravia Grupo Empresarial S.L.	April 2011	381 823	-	(72)	381 751
Blue Horizon Hospitality PTE Ltd.	December 2012	88 438	-	5 611	94 049
AmRest Coffee S.R.L.	June 2015	-	1 461	16	1 477
		578 322	**1 461**	**(4 654)**	**575 129**

	Acquisition date	**As at 01.01.20154**	Acquisition	Foreign exchange differences	**As at 31.12.2014**
miklik's food s.r.o.	May 2005	5 420	-	86	5 506
AmRest Kft (previously: Kentucky System Kft)	June 2006	17 324	-	(534)	16 790
OOO AmRest (previously: OOO Pizza Nord)	July 2007	100 611	-	(34 407)	66 204
9 restaurants RostiksKFC	April 2008	24 989	-	(8 475)	16 514
5 restaurants RostiksKFC	June 2008	3 232	-	(1 096)	2 136
SCM Sp.z o.o.	October 2008	911	-	-	911
Restauravia Grupo Empresarial S.L.	April 2011	371 512	-	10 311	381 823
Blue Horizon Hospitality PTE Ltd.	December 2012	77 345	-	11 093	88 438
		601 344	**-**	**(23 022)**	**578 322**

Impairment testing

As at December 31, 2015, the Group conducted goodwill impairment tests with respect to the acquisitions of businesses in Hungary, Russia, Spain, Romania, Bulgaria and China where goodwill is important.

The cash generating units are the countries. The recoverable amount of the cash generating unit was determined based on fair value calculation using the discount rate for each individual country.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

The recoverable value of the cash generating units is based on calculations of their value in use. The calculation fair value expected future cash flows assessed on the basis of historical results and expectations as to the development of the market in the future included in the business plan.

Values of particular centers generating cash are combination of data described in current note together with information from note 2.

Goodwill has been allocated and is monitored for internal management purposes at the team level of cash generating units (restaurants in different countries) and is therefore a test for impairment of goodwill is made of the level of the individual countries.

Expected cash flows for identified cash generating units were prepared on the basis of assumptions made derived from historical experience adjusted for realized plans and undertaken actions together with adjustment for valid liabilities and assessments of changes in client behaviors.

Impairment testing was realized taking into consideration following assumptions:

	Hungary	Russia	Spain	China	Romania
	Year 2015				
Discount rate before tax	10.45%	18.07%	8.02%	8.55%	9.97%
Budgeted average EBITDA margin	15.46%	12.75%	19.34%	9.03%	26.62%
Expected mid-term growth rate used for the calculation of planned future results	16.77%	18.72%	19.73%	26.34%	14.75%
Residual growth rate	2.00%	2.00%	2.00%	2.00%	2.00%
	Year 2014				
Discount rate before tax	10.28%	15.90%	11.61%	8.31%	-
Budgeted average EBITDA margin	16.62%	12.79%	19.70%	15.00%	-
Expected mid-term growth rate used for the calculation of planned future results	16.41%	17.07%	18.29%	25.33%	-
Residual growth rate	2.00%	2.00%	2.00%	2.00%	-

Expected future cash flows are analyzed in the perspective of the period settled in the lease agreement concerned tested cash generating units. The length of the period (usually 10 years) results mainly from the long-term nature of the franchise agreements and the long-term nature of investments in the restaurant business. Budgeted EBITDA margin is calculated based on actual forecasts and financial performance expectations regarding given cash generating unit and takes into account all applicable factors influencing this ratio.

If discount rates in period of 12 months ended December 31, 2015 were bigger by 3 percentage points, it would not result in recognition of additional impairment provision, except for Russia. In the case when discount rates were increased by 3 percentage points of the possible impairment provision would amount to PLN 43 milion. Management believes this scenario is remote, because the current analysis is based on the historical record levels of discount rates, using the most current strategic plans of setting up development plans for the Russian market. Development plans involve a cost to both new openings and capital expenditures. Group analysis shows that the restriction of these plans provides additional factors keeping up defending against adverse market conditions underlying the calculation of the discount factor.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

If EBITDA for the period of 12 months ended December 31, 2015 were bigger/smaller by 3 percentage points, it would not result in recognition of additional impairment.

12. Other non-current assets

As at December 31, 2015 and December 31, 2014, the balances of other non-current assets were as follows:

	31.12.2015	31.12.2014
Prepaid rental fees	2 412	3 174
Deposits in respect of rentals	43 467	38 600
Other	5 922	5 286
	51 801	**47 060**

13. Inventories

As at December 31, 2015 and December 31, 2014, inventories cover mainly food and packaging used in the restaurants and additionally finished goods and work in progress prepared by central kitchen for the sale of La Tagliatella restaurants purposes.
Due to the nature of its business and the applicable standards of the Group treats the whole inventory as materials.
Inventories are presented in net value including write-downs.

Value of impairment provisions for inventory as at December 31, 2015 and December 31, 2014 is presented in table below:

	31.12.2015	31.12.2014
Value for the beginning of the period	278	1 157
Provision created (note 2, 8)	130	1 130
Provisions used	(151)	(2 009)
Value for the end of the period	**257**	**278**

14. Trade and other receivables

	31.12.2015	31.12.2014
Trade receivables from non-related entities	44 888	43 837
Trade receivables from related entities (note 29)	7	33
Other tax receivables	40 659	21 707
Deposits due above 3 months	9 214	-
Other	7 862	8 232
Write-downs of receivables (note 2, 31)	(10 540)	(7 464)
	92 090	**66 345**

15. Other current assets

	31.12.2015	31.12.2014
Prepaid costs in respect of deliveries of utilities	238	4 193
Prepaid lease costs	9 799	5 091
Prepaid property insurance	1 105	1 213
Prepaid professional services cost	552	323

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Prepaid marketing costs	336	283
Asset from purchase price adjustment (note 2)	14 330	-
Other	17 897	11 052
Write-downs of other current assets	(250)	(2 971)
	44 007	**19 184**

Other current assets are presented in net value taking into consideration impairment provisions.

16. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2015 and December 31, 2014 are presented in the table below:

	31.12.2015	**31.12.2014**
Cash at bank	293 553	235 093
Cash in hand	24 318	22 078
	317 871	**257 171**

Reconciliation of working capital changes as at December 31, 2015 and December 31, 2014 is presented in the table below:

2015	The balance sheet change	Change of stock option plan liability	Foreign exchange differences	Increase resulted from the acquisition (note 2)	Working capital changes
Change in receivables	(25 745)	-	(2 854)	1 226	(27 373)
Change in inventories	(12 708)	-	(3 391)	3 209	(12 890)
Change in other assets	(29 564)	-	(16 181)	17 333	(28 412)
Change in payables and other liabilities	114 657	-	16 469	(19 725)	111 401
Change in other provisions and employee benefits	(18 554)	13 310	4 664	(4 851)	(5 431)

2014	The balance sheet change	Stock option plan liability	Foreign exchange differences	Transfer to other items in the cash flow statement	Working capital changes
Change in receivables	16 770	-	(1 939)	-	14 831
Change in inventories	(4 441)	-	(114)	-	(4 555)
Change in other assets	(154)	-	(548)	-	(702)
Change in payables and other liabilities	3 368	-	(2 992)	-	376
Change in other provisions and employee benefits	36 675	(34 959)	320	-	2 036

17. Equity

Share capital

As described in note 1a) On April 27, 2005, the shares of AmRest Holding SE were floated on the Warsaw Stock Exchange (“WSE”).

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

As at December 31, 2015, the Company held 21 213 893 issued, fully paid-up shares. The Company's target capital is 500 000 shares. Nominal value of one share is 1 eurocent (0.01 EUR).

Holders of ordinary shares are authorized to receive dividend and have voting rights at the Group's General Shareholders' Meetings ("AGM") proportionate to their holdings.

Other supplementary capital

Structure of other supplementary capital is as follows:

	Surplus over nominal value (share premium)	Non-refundable additional contributions to capital without additional issuance of shares made by the Group's shareholders before their debut on the WSE	Impact of put option value-tion	Employee options	Treasury shares	Hedges valuation influence	Trans-actions with non control-ling interests	Reserves total
As at 01.01.2014	**755 692**	**6 191**	**(176 536)**	**25 043**	**(226)**	**3 164**	**124 701**	**738 029**
COMPREHENSIVE INCOMES								
Impact of net investment hedges valuation	-	-	-	-	-	(17 161)	-	**(17 161)**
Deferred income tax concerning net investment hedges	-	-	-	-	-	3 261	-	**3 261**
Comprehensive income total	-	-	-	-	-	(13 900)	-	**(13 900)**
TRANSACTIONS WITH SHAREHOLDERS								
Net result on tresury shares transaction	-	-	-	(876)	-	-	-	**(876)**
Own shares purchase	-	-	-	-	(3 788)	-	-	**(3 788)**
Employees share option scheme –value of service	-	-	-	8 098	-	-	-	**8 098**
Change of employees share option scheme	-	-	-	(34 939)	-	-	-	**(34 939)**
Transactions with shareholders total	-	-	-	(27 717)	(3 788)	-	-	**(31 505)**
As at 31.12.2014	**755 692**	**6 191**	**(176 536)**	**(2 674)**	**(4 014)**	**(10 736)**	**124 701**	**692 624**
As at 01.01.2015	**755 692**	**6 191**	**(176 536)**	**(2 674)**	**(4 014)**	**(10 736)**	**124 701**	**692 624**
COMPREHENSIVE INCOMES								
Impact of net investment hedges valuation	-	-	-	-	-	(476)	-	**(476)**
Deferred income tax concerning net investment and cashflow hedges	-	-	-	-	-	91	-	**91**
Comprehensive income total	-	-	-	-	-	(385)	-	**(385)**
TRANSACTIONS WITH NON-CONTROLLING INTEREST								
Acqusition of control in associates company	-	-	-	-	-	-	(8 006)	**(8 006)**
Transactions with non-controlling interest total	-	-	-	-	-	-	(8 006)	**(8 006)**
TRANSACTIONS WITH SHAREHOLDERS								
Own shares purchase	-	-	-	-	(49 779)	-	-	**(49 779)**
Proceeds from treasury shares	-	-	-	(32 581)	32 581	-	-	**-**
Employee stock option plan – value of employee services excerised in the period	-	-	-	18 180	-	-	-	**18 180**

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Employee stock option plan – proceeds from employees - value of disposed shares	-	-	-	9 332	-	-	-	**9 332**
Employee stock option plan – value of unexercised employee benefits	-	-	-	12 624	-	-	-	**12 624**
Change of deferred tax related to unexercised employee benefits	-	-	-	3 716	-	-	-	**3 716**
Transactions with shareholders total	-	-	-	11 271	(17 198)	-	-	**(5 927)**
As at 31.12.2015	**755 692**	**6 191**	**(176 536)**	**8 597**	**(21 212)**	**(11 121)**	**116 695**	**678 306**

Within the bank loans as at December 31, 2015 loan for the amount of EUR 75 million was disclosed, which is hedging net investment in Hungarian subsidiary AmRest Capital Zrt, it hedges Group against the foreign currency risk resulting from revaluations of net assets. Gain or loss from revaluation at appropriate exchange rate as of end of financial period of this liability balance are reflected into reserve capital in order to net the effect gains and losses on net investment in subsidiaries revaluation. During the period for the 12 months ended December 31, 2015 hedge was fully effective.

In loans and borrowings as at December 31, 2015 loans for value of EUR 75 million are included that are net investment hedges in Spanish subsidiary AmRest TAG S.L., hedging Group from currency exchange risk resulting from revaluation of net assets. Gain or loss from revaluation at appropriate exchange rate as of end of financial period of this liability balance are reflected into reserve capital in order to net the effect gains and losses on net investment in subsidiaries revaluation. During the period for the 12 months ended December 31, 2015 hedge was fully effective.

As at December 31, 2015 acummulated value of currency revaluation recognized in reserve capital (resulted from net investment hedges) amounted to PLN 476 thousand and deferred tax concerning this revaluation PLN 91 thousand.

Impact of hedges valuation:	Net investemnt in EUR	Valuation effects of security together
As at 01.01.2014	**3 164**	**3 164**
Impact of net investment hedges valuation	(17 161)	**(17 161)**
Deferred income tax	3 261	**3 261**
As at 31.12.2014	**(10 736)**	**(10 736)**
As at 01.01.2015	**(10 736)**	**(10 736)**
Impact of cash flow hedges valuation	(476)	(476)
Deferred income tax	91	91
As at 31.12.2015	**(11 121)**	**(11 121)**

Retained Earnings

Retained Earnings of a Group according to 16th resolution of Annual Shareholders Meeting dated June 10, 2011 includes also reserve fund in value of PLN 50 million for purchase of treasury shares only for share option redemption to every existing and future employee and managerial motivational stock option plans, including Management Board members of Group entities. In 2015 (as it was disclosed in statement of changes in equity) transaction on treasury shares for existing stock option plans (note 19) were realized amounting PLN 17 198 thousand (accordingly in 2014 PLN 3 788 thousand).

Foreign exchange differences on translation

Foreign exchange differences on translation cover all the foreign exchange differences resulting from the translation of the financial statements of the Group's foreign operations into Polish zloties.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
At the beginning of the period	(86 216)	(11 718)
Foreign exchange differences from net assets revaluation in subsidiaries	(24 231)	(74 498)
At the end of the period	**(110 447)**	**(86 216)**

Foreign exchange differences on translation

Foreign exchange differences on translation cover all the foreign exchange differences resulting from the translation of the financial statements of the Group's foreign operations into Polish zloties.

	31.12.2015	31.12.2014
Blue Horizon Hospitality Group PTE Ltd.	47 915	48 092
AmRest Coffee Sp. z o.o.	5 845	7 053
SCM Sp. z o.o.	6 813	6 052
AmRest Coffee s.r.o.	6 362	5 259
AmRest Kávézó Kft	2 553	2 438
AmRest d.o.o.	1 557	1 303
AmRest HK Ltd*	-	(6 097)
Non-controlling interests	**71 045**	**64 100**

**From December 1, 2015 AmRest Holdings SE has full control in subsidiary entity AmRest HK Ltd.*

18. Borrowings

Borrowings as at December 31, 2015 and December 31, 2014 are presented in the table below:

Long-term	31.12.2015	31.12.2014
Bank loans	756 790	837 272
Bonds	279 156	278 775
	1 035 946	**1 116 047**

Short-term	31.12.2015	31.12.2014
Bank loans	89 418	337
	89 418	**337**

Bank loans and bonds

Currency	Lender/ bookbuilder	Effective interest rate	31.12.2015	31.12.2014
in PLN	Syndicated bank loan	3.80%	138 781	138 077
in EUR	Syndicated bank loan	2.70%	637 183	636 068
in CZK	Syndicated bank loan	3.00%	63 021	61 194
in PLN	Bonds 5 – years (issued in 2013 & 2014)	4.40%	279 156	278 775
in CNY	Bank loan- China	6.70%	7 223	2 270
			1 125 364	**1 116 384**

Bank loans comprise mainly investment loans bearing a variable interest rate based on reference rates WIBOR, PRIBOR and EURIBOR. Exposure of the loans to interest rate risk and contractual dates for changing the interest rates occur in 3-month cycles.

On September 10, 2013 a Credit Agreement („the Agreement") between AmRest Holdings SE, AmRest Sp. z o.o. (AmRest Poland") and AmRest s.r.o. – jointly „the Borrowers" and Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Rabobank Polska S.A. (current name: BGŻ BNP Paribas S.A.) and ING Bank Śląski Polska S.A. – jointly „the Lenders" was signed.

Based on the Agreement the Lenders granted to the Borrowers a credit facility in the approximated amount of EUR 250 million. The facility consists of four tranches: Tranche A, EUR 150 million, Tranche B, PLN 140 million, Tranche C, CZK 400 million and Tranche D granted as a revolving credit facility, PLN 200 million. The facility shall be fully repaid by September 10, 2018 and is dedicated for repayment of the obligations under the credit agreement signed October 11, 2010 along with further annexes, financing development activities of AmRest and working capital management. All Borrowers bear joint liability for any obligations resulting from the Agreement. Additionally, the following members of the group are guarantors of the facility: OOO AmRest, AmRest TAG S.L.U., AmRestavia S.L., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., AmRest Finance Zrt and AmRest Capital Zrt. These entities secure Borrowers' repayment of borrowings until final repayment.

The loan is provided at a variable interest rate. AmRest is required to maintain liquidity ratios (net debt/EBITDA, equity/total assets, EBITDA/interest) at agreed levels. In particular net debt/EBITDA ratio is to be held at below 3.5 level and AmRest is required not to distribute dividend payments if the mentioned ratio exceeds 3.0 (see note 31).

The effective interest rates are similar to the market rates for specific borrowings. Therefore, the fair value of the liabilities presented above does not differ significantly from their carrying amounts.

As at December 7, 2009 AmRest Holdings SE signed with RBS Bank (Polska) S.A. and Bank Pekao S.A. agreement for bonds issuance ("5years bonds"), on the basis of which option program for corporate bonds of AmRest was released, allowing to issue bonds in total maximum value of PLN 300 million, where bonds in the value of PLN 150 million were issued already. Agreement was signed for agreed period till July 9, 2015 with period extension options till repayment of all issued bonds.

On August 22, 2012 the above mentioned agreement was replaced with the new one signed between AmRest Holding SE, AmRest Sp. z o.o. and Bank PEKAO S.A. for a defined period until December 31, 2019. Program extension is possible until redemption of all bonds issued.

On June 18, 2013 bonds in the amount of PLN 140 million were issued under the new agreement. The issue is part of a plan to diversify financing sources of AmRest. Bonds are issued with variable interest rate 6M WIBOR increased by a margin and are due on June 30, 2018. Interest is paid on semi-annual basis (June 30 and December 30), beginning December 30 2013. Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated June 18, 2013(accordingly: <3.5; >3.5; >0.3). There are no additional securities on the bond issue.

On September 10, 2014 AmRest made an early redemption of bonds for the total value of PLN 131,5m. At the same time, AmRest issued 14 000 bonds in the total nominal value of PLN 140m with maturity date September 10, 2019. The bonds have a variable interest rate of 6M WIBOR increased by margin. The interest is paid semi-annually (on June 30 and December 30). Group is required to maintain certain financial ratios (net debt/EBITDA, equity/total assets, EBITDA/interest charge) at levels agreed in the Emission Terms dated September 10, 2014 (accordingly: <3.5; >3.5; >0.3). There are no additional securities on the bond issue.

On December 30, 2014 AmRest made a redemption of bonds that reached maturity date on Dec 30, 2014 with the face value of PLN 18.5m. At the end of 2015 AmRest has two bond issues outstanding: PLN 140m with maturity date June 30, 2018 and PLN 140m maturing on Sept 10, 2019.

As at December 31, 2015 the payables concerning bonds issued are PLN 279.156 thousand.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

The maturity of long- and short-term loans as at December 31, 2015 and December 31, 2014 is presented in the table below:

	31.12.2015	31.12.2014
Up to 1 year	89 418	337
Between 1 and 2 years	156 110	82 891
Between 2 and 5 years	879 836	1 033 156
	1 125 364	**1 116 384**

The Group has the following unused, awarded credit limits as at December 31, 2015 and December 31, 2014:

	31.12.2015	31.12.2014
With floating interest rate		
- expiring within one year	28 333	19 530
- expiring beyond one year	200 000	206 457
	228 333	**225 987**

19. Liabilities in respect of wages and salaries and employee benefits

Long-term employee benefits dependent on their years in service

In accordance with the terms and conditions of the collective labour agreement, a specific group of employees is entitled to receive long-service bonuses depending on their years in service. The entitled employees receive a one-off amount of USD 300 after five years in service, and USD 1.000 after 10 years in service, translated in both cases into the currency of the given country. In year 2009 Group has added to this service benefit package jubilee gift for 15 years of work, which is equal to value of 100 AmRest Holdings SE shares. Due to unification of jubilee gift policy this system will be valid till the end of 2013. The change resulted in reversal of jubilee gift provision in amount PLN 285 thousands as at December 31, 2015 and PLN 371 thousands as at December 31, 2014.

Employee share option plan 2

In April 2005, the Group implemented another Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Management Board, however, it may not exceed 3% of all the outstanding shares. Moreover, the number of options granted to employees is limited to 200 000 per annum. In accordance with the provisions of the Plan, the Group, following approval by the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company’s shares as at the date of awarding the option, and the vesting period will be 3 to 5 years. The Employee Option Plan was approved by the Company’s Management Board and the General Shareholders’ Meeting.

In January 2010, Supervisory Board of Group parent entity approved resolution confirming and systemizing total amount of shares for which may be issued options that will not exceed allowed 3% of shares in market.

In June 2011, Supervisory Board of Group parent entity approved and changed the prevoius note related to the number of options granted to employees is limited to 100 000 per annum.

In November 2014, Supervisory Board of Group parent entity approved and changed wording of regulations by adding net cash settlement of option value (employee decides about settlement method). Change this resulted in recognition of employee options cash liability in the value of PLN 21.629 thousands as at December 31, 2015 according to group policy (note 1 s). As at December 31, 2015 liablity was recognised in the value of PLN 19.174 thousands.

Employee share option plan 3

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

In December, 2011, the Group implemented further Employee Option Plan which is share-based, thinking of its selected employees. The whole number of shares which are attributed to the options is determined by the Supervisory Board, however, it may not exceed 1 041 000 shares. In accordance with the provisions of the Plan, the Supervisory Board of Group, on request of the Management Board, is entitled to determine, apart from other issues, the employees authorized to participate in the Plan and the number of options granted and the dates for their granting. The option exercise price will be in principle equal to the market price of the Company's shares as at the date of preceding the day of awarding the option, and the vesting period will be 3 years. The option exercise price will increase by 11% each year. The Employee Option Plan was approved by the Company's Supervisory Board.

As at December 31, 2015 PLN 12.496 thousands of liabilities were rpresented in equity (note 17) according to group policy (note 1 s).

Value of liability for Employee share option plan as at December 31,2015 and December 31, 2014 was presented below:

	31.12.2015	31.12.2014
Liability for Employee share option plan 2	21 629	19 174
Liability for Employee share option plan 3	-	15 765
Other	5 048	4 667
	26 677	**39 606**

The terms and conditions for the share options awarded to employees are presented in the table below:

Award date	Number of share options awarded	Terms and conditions for exercising the options	Option exercise price in PLN	Options term to maturity period
Plan 1				
April 30, 1999	75 250	5 years, gradually, 20% per annum	6.4	10 years
April 30, 2000	53 750	5 years, gradually, 20% per annum	25.6	10 years
April 30, 2001	76 300	5 years, gradually, 20% per annum	25.6	10 years
April 30, 2002	74 600	5 years, gradually, 20% per annum	16.0	10 years
April 30, 2003	55 100	5 years, gradually, 20% per annum	16.0	10 years
April 30, 2004	77 800	5 years, gradually, 20% per annum	19.2	10 years
Total	412 800			
Plan 2				
April 30, 2005	79 300	5 years, gradually, 20% per annum	24.0	10 years
April 30, 2006	75 000	5 years, gradually, 20% per annum	48.4	10 years
April 30, 2007	89 150	5 years, gradually, 20% per annum	96.5	10 years
April 30, 2008	105 250	5 years, gradually, 20% per annum	86.0	10 years
June 12, 2008	20 000	5 years, gradually, 20% per annum	72.5	10 years
August 22, 2008	1 000	5 years, gradually, 20% per annum	65.4	10 years
April 30, 2009	102 370	5 years, gradually, 20% per annum	47.6	10 years
May 10, 2009	3 000	5 years, gradually, 20% per annum	73.0	10 years
April 30, 2010	119 375	5 years, gradually, 20% per annum	70.0	10 years
April 30, 2010	7 975	5 years, gradually, 20% per annum	70.0	10 years
June 20, 2011	105 090	5 years, gradually, 20% per annum	78.0	10 years
September 5, 2011	1 000	5 years, gradually, 20% per annum	70.6	10 years
April 30, 2012	81 500	5 years, gradually, 20% per annum	70.0	10 years
April 30, 2013	91 700	5 years, gradually, 20% per annum	81.0	10 years
April 30, 2014	79 830	5 years, gradually, 20% per annum	81.0	10 years
December 9, 2015	127 865	5 years, gradually, 20% per annum	130.9	10 years
Total	1 089 405			
Plan 3				

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Award date	Number of share options awarded	Terms and conditions for exercising the options	Option exercise price in PLN	Options term to maturity period
December 13, 2011	616 000	3 years, gradually, 33% per annum	61.00	10 years
October 8, 2012	259 000	3 years, gradually, 33% per annum	64.89	10 years
January 16, 2014	215 000	3 years, gradually, 33% per annum	67.43	10 years
July 8, 2014	50 000	3 years, gradually, 33% per annum	61.00	10 years
October 1, 2014	90 000	3 years, gradually, 33% per annum	82.10	10 years
November 30, 2014	30 000	3 years, gradually, 33% per annum	61.00	10 years
Total	1 260 000			

In the table below we present the number and weighted average of the exercise price of the options from all plans for the 12 months period ended December 31, 2015 and 2014:

	Weighted average option exercise price	Number of options Plan 3	Number of options Plan 2	Weighted average option exercise price	Number of options Plan 3	Number of options Plan 2
		2015			2014	
At the beginning of the period	PLN 67.24	1 030 000	544 506	PLN 66.68	755 000	559 785
Utilized during the period	PLN 78.84	(260 001)	(241 179)	PLN 58.76	-	(24 974)
Redeemed during the period	PLN 65.97	(110 000)	(27 543)	PLN 65.96	(110 000)	(70 135)
Awarded during the period	PLN 130.90	-	127 865	PLN 67.89	385 000	79 830
At the end of the period	PLN 81.34	659 999	403 649	PLN 67.24	1 030 000	544 506
Available for exercising as at the end of the period	PLN 64.86	476 666	139 455	PLN 72.54	549 333	380 424

The fair value of the work performed in consideration for the options issued is measured using the fair value of the options awarded. The estimated fair value of the benefits is measured using the trinomial model and a model based on the Monte-Carlo method. One of the input data used in the above model is the term to maturity of the options (10 years). The possibility of early exercising of the option is taken into consideration in the trinomial model.

The fair value of the options as at the moment of awarding was determined on the basis of the following parameters:

Issued in period		Average fair value of option as at the date of award	Average price of share at the date of measurement/award	Average exercise price	Expected fluctuations of share prices (expressed as the weighted average fluctuation in share prices used in the trinomial	Expected term to maturity of the options (expressed as the weighted average period to maturity of the options used in the trinomial model)	Expected dividend (as of 2009)	Risk-free interest rate (based on Treasury bills)
from 1/1/2014 to 31/12/2014	Plan 3	PLN 26.73	PLN 64.65	PLN 64.65	36%	10 years	-	3.50%
from 1/1/2012 to 31/12/2012	Plan 3	PLN 22.57	PLN 61.00	PLN 61.0	38%	10 years	-	5.82%
from 1/1/2011 to 31/12/2011	Plan 3	PLN 25.35	PLN 73.95	PLN 64.89	37%	10 years	-	4.35%
from 1/1/2015 to 31/12/2015		PLN 103.98	PLN195.95**	PLN 130.90	24%	10 years	-	2.37%
from 1/1/2014 to 31/12/2014		PLN 50,87	PLN 81.82	PLN 81.00	36%	10 years	-	3.50%

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

from 1/1/2013 to 31/12/2013		PLN 41.34	PLN 81.00	PLN 81.00	34%	10 years	-	3.50%
from 1/1/2012 to 31/12/2012		PLN 39.62	PLN 70.00	PLN 70.00	37%	10 years	-	5.36%
from 1/1/2011 to 31/12/2011		PLN 45.97	PLN 78.00	PLN 78.00	37%	10 years	-	5.61%
from 1/1/2010 to 31/12/2010	Plan 2	PLN 42.61	PLN 70.00	PLN 70.00	40%	10 years	-	5.51%
from 1/1/2009 to 31/12/2009		PLN 27.38	PLN 48.32	PLN 48.32	41%	7.6 years	-	5.80%
from 1/1/2008 to 31/12/2008		PLN 29.81	PLN 83.8	PLN 83.8	37%	8.9 years	18.80%	5.80%
from 1/1/2007 to 31/12/2007		PLN 36.09	PLN 96.5	PLN 96.5	33%	9.9 years	18.80%	5.50%
from 1/1/2006 to 31/12/2006		PLN 15.5	PLN 48.3	PLN 48.3	31%	9.9 years	18.80%	4.98%
from 1/1/2005 to 31/12/2005		PLN 8.9	PLN 25.7	PLN 24.0	40%	9.9 years	18.80%	4.50%
till the end of 2004	Plan 1	PLN 6.8	n/a	PLN 18.6	40%	7.0 years	19.40%	4.50%
		PLN 6.6	n/a	PLN 18.6	40%	7.5 years	19.40%	5.80%

* In connection with the fact that before 2006 the Company was not listed on the GPW, the expected fluctuations in the prices of its shares for measuring awards from before 2006 were based on the historical fluctuations of share prices of comparable companies quoted on the GPW (calculated on the basis of the weighted average time to maturity of the options), adjusted by all the expected changes in the future fluctuations of the share prices resulting from published information on the Company. Estimates for awards from 2006 were based on the actual fluctuations in the Company's quoted share prices. High actual fluctuation in share prices is the effect of a significant increase in the Company's share prices from their flotation.
**Option plan grant price are set in April, when market price was in the range of grant price 130 PLN set in 2015. Grant date got postponed due the documentation issues.

Options are awarded after the terms and conditions relating to the period of employment have been met. The Plan does not provide for any additional market conditions on which the exercising of the options would depend except of plan 3 which assumes minimal annual growth rate.

Other incentive programs

Key managers of the Spanish and Chinese market participate in motivation programs which bases on exceeding goals of the following businesses growth.

Employee benefits costs

The costs recognized in connection with the plans relating to incentive programs for the period of 12 months ending on December 31, 2015 and December 31, 2014 respectively are presented below:

	31.12.2015	**31.12.2014**
Value of employee benfits in employee stock option plan 2	21 458	4 646
Value of employee benfits in employee stock option plan 3	4 782	3 452
Value of employee benfits in local incentive program - Spain	2 730	844
Value of employee benfits in local incentive program - China	834	674
	29 804	**9 616**

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Pension, health care and other contributions

The costs recognized in connection with the retirement benefit contributions for the period of 12 months ending on December 31, 2015 and December 31, 2014 respectively are presented below:

	31.12.2015	31.12.2014
Pension, health care contributions and other	142 594	122 153
	142 594	**122 153**

Apart from those specified above, there are no other liabilities and costs in respect of employee benefits.

20. Provisions

Changes in the balance of provisions are presented in the table below:

2015	As at **01.01.2015**	Increases	Utilization	Foreign exchange differences	As at **31.12.2015**
Onerous contracts	4 976	2 545	(4 630)	258	3 149
Provision for court fees	1 645	17	(1 587)	(25)	50
Provision for tax risks	2 524	118	(2 328)	165	479
Provision for other	160	-	(159)	1	2
Total	**9 305**	**2 680**	**(8 704)**	**399**	**3 680**

2014	As at **01.01.2014**	Increases	Utilization	Foreign exchange differences	As at **31.12.2014**
Onerous contracts	3 836	1 687	(981)	434	4 976
Provision for court fees	1 417	1 665	(1 437)	-	1 645
Provision for tax risks	2 588	1 351	(458)	(957)	2 524
Provision for other	465	31	(323)	(13)	160
Total	**8 306**	**4 734**	**(3 199)**	**(536)**	**9 305**

The whole reserve is treated as long-term reserves.

Provision for onerous contracts

As at the balance sheet date, the Group showed a provision for onerous lease contracts. These contracts relate to most locations in which the Group does not engage in restaurant operations but only subleases the premises to other entities on unfavourable terms. It is expected that will be used during 2015 and 2016.

Provision for court fees

Periodically, the Group is involved in disputes and court proceedings resulting from the Group's on-going operations. As presented in the table above, as at the balance sheet, the Group showed a provision for the costs of court proceedings which reflects the most reliable estimate of the probable losses expected as a result of the said disputes and legal proceedings. According to the nature of this provision final settlement is expected within 2015 and 2016.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Provision for tax liabilities

Group operates in numerous markets with different and changing tax rules and additionally realizes its growth within new investments and often has to decide to create or modify value of tax liability provision. During recognition or modification of such provisions all available information, historical experience, comparison and best estimate is used. It is expected that will be used during 2015 and 2016.

21. Other non-current liabilities

Other non-current liabilities cover the long-term portion of deferred income of rents. Deferred income amount PLN 14.901 thousand and PLN 17.145 thousand respectively as at December 31, 2015 and December 31, 2014.

22. Trade and other payables

Trade and other payables as at December 31, 2015 and December 31, 2014 cover the following items:

	31.12.2015	**31.12.2014**
Payables to non-related entities, including:	356 663	255 072
Trade payables	229 352	154 696
Payables in respect of uninvoiced lease fees and deliveries of food	16 946	14 655
Employee payables	31 662	23 917
Social insurance payables	23 757	19 866
Other tax payables	16 678	13 549
Gift voucher liabilities	1 427	1 373
Other payables to non-related entities	36 841	27 016
Liabilities to related entities (note 29)	94	5
Accruals, including:	98 999	82 124
Employee bonuses	27 491	21 561
Marketing services	8 076	7 427
Holiday pay accrual	13 055	11 136
Professional services	7 315	3 772
Franchise fees	9 742	12 919
Lease cost provisions	15 662	11 237
Investment payables accrual	10 128	7 823
Other	7 530	6 249
Deferred income – short-term portion	5 173	7 295
Social fund	845	377
Total trade and other payables	**461 774**	**344 873**

23. Finance lease liabilities

Financial lease liabilities – current portion:

	31.12.2015	**31.12.2014**
Payable within 1 year	1 323	767
Payable from 1 to 5 years	4 396	2 499
Payable after 5 years	3 525	4 813
	9 244	**8 079**

Finance lease liabilities – minimum lease payments:

	31.12.2015	**31.12.2014**

Payable within 1 year	2 242	1 604
Payable from 1 to 5 years	6 232	4 808
Payable after 5 years	5 131	6 448
Total minimum lease payments	13 605	12 860
Future finance costs in respect of finance leases	(4 361)	(4 781)
Present value of finance lease liabilities	**9 244**	**8 079**

24. Operating leases

The Group concluded many irrevocable operating lease agreements, mainly relating to leases of restaurants. In respect of restaurants, lease agreements are concluded on average for a period of 10 years and require a minimum notice period on termination.

The expected minimum lease fees relating to operating leases without the possibility of earlier notice are presented below:

	31.12.2015	**31.12.2014**
Payable within 1 year	309 252	264 688
Payable from 1 to 5 years	1 051 701	947 603
Payable after 5 years	797 978	790 928
Total minimum lease payments	**2 158 931**	**2 003 219**

In respect of many restaurants (especially those in shopping malls) lease payments comprise two components: a fixed fee and a conditional fee depending on the restaurant's revenues. The conditional fee usually constitutes from 2.5% to 9% of a restaurant's revenue.

Lease costs relating to operating leases (broken down by the fixed and conditional portion) for the 12 months of 2015 and 2014 are as follows:

	For the 12 months ended December 31, 2015			**For the 12 months ended December 31, 2014**		
	Fixed fee	**Conditional fee**	**Total**	**Fixed fee**	**Conditional fee**	**Total**
Czech	33 476	4 058	37 534	32 300	3 083	35 383
Hungary	12 254	-	12 254	11 000	-	11 000
Poland	49 029	63 520	112 549	40 650	58 330	98 980
Russia	43 115	426	43 541	39 481	4 030	43 511
Bulgaria	1 622	-	1 622	963	-	963
Serbia	1 440	-	1 440	1 410	-	1 410
USA	-	-	-	3 773	1	3 774
Croatia	1 163	-	1 163	1 250	-	1 250
Spain	67 481	136	67 617	60 805	-	60 805
China	33 604	-	33 604	23 046	-	23 046
Romania	3 773	-	3 773	-	-	-
Total	**246 957**	**68 140**	**315 097**	**214 678**	**65 444**	**280 122**

The Group signs agreements for a definite period without the opportunity to terminate the contract. The prolongation of the agreement bases on market conditions.

The Group is also a party to sublease agreements on the basis of operating leases. Income from sublease fees on the basis of operating leases for the 12 month periods of 2015 and 2014 are as follows:

	31.12.2015	**31.12.2014**
Russia	405	576
Czech	566	129

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

Poland	331	225
Total	**1 302**	**930**

25. Collateral on borrowings

The loans incurred by the Company do not account for collateral set up on fixed assets and other assets owned by the Company. The Borrowers (AmRest Holding SE, AmRest Sp. z o.o. and AmRest s.r.o.) are jointly and severally responsible for paying the liabilities resulting from credit agreements. Additionally, Group companies – OOO AmRest, AmRest TAG S.L.U., AmRestavia S.L.U., Restauravia Grupo Empresarial S.L., Restauravia Food S.L.U., Pastificio Service S.L.U., AmRest Finance Zrt and AmRest Capital Zrt – granted guarantees to the financing banks. These companies guarantee that the Borrowers will discharge their obligations following from the credit agreement until the loan is repaid, i.e. September 10, 2018.

26. Earnings per share

The basic and diluted earnings per ordinary share for the 12-month period of 2015 and 2014 were calculated as follows:

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Net profit from continued operations attributable to equity holders of the parent company	160 036	51 667
Weighted average number of ordinary shares in issue	21 213 893	21 213 893
Weighted average number of ordinary shares for diluted earnings per share	21 213 893	21 213 893
Basic earnings per ordinary share	7.54	2.44
Diluted earnings per ordinary share	7.54	2.44

On December 1, 2014 expired possibility for AmRest Holdings SE to make capital increases to the amount of EUR 5 thousand of the authorized capital (in accordance with paragraph 4.1 of the Articles of Association of the Company). This right was given by the resolutions of the AGM of shareholders No. 13 as at June 10, 2011. As at December 31, 2014 and 2015, the Company was not possible potential issuance of shares for the settlement of the stock option plans. Settlement of share option plans can be made in the form of own shares acquired from stock exchange or cash (please refer to note 19).

27. Future commitments and contingent liabilities

In accordance with the franchise agreements signed, the Group is obliged to periodically improve the standard, modify, renovate and replace all or parts of its restaurants or their installations, marking or any other equipment, systems or inventories used in restaurants to make them compliant with the current standards. The agreements require no more than one thorough renovation of all installations, markings, equipment, systems and inventories stored in the back of each restaurant to comply with the current standards, as well as no more than two thorough renovations of all installations, markings, equipment, systems and inventories stored in the dining rooms of each of the restaurants during the period of a given franchise agreement or the period of potential extension of the agreement. The expenses for the purpose forecast by the Group amount to ca. 1.5% of annual sales form the restaurants' operations in the future periods.

Other future commitments resulting from the agreements with the Burger King, Starbucks and the current and future franchise agreements were described in note 1a) and note 1g).

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

According to Group Management the above mentioned requirements are fulfilled and any discrepancies are communicated to third parties, mitigating any potential risks affecting business and financial performance of the Group.

The status of the guarantees offered by the Group as at December 31, 2015 is as follows:

	Guarantee site	Guarantee mechanism	Maximum amount
Warranty of the lease restaurant in USA	AmRest Holdings SE warrants AmRest LLC to GLL Perimeter Place, L.P.	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism
Warranty of the lease restaurant in Germany	AmRest Holdings SE warrants AmRest GmbH to Berliner Immobilien Gesellschaft GbR	Rent payment due, future charges to the end of the contract, incurred cost and accrued interest	According to the guarantee mechanism

With respect to the agreement in USA one outstanding is in negotiations with the owners.

28. Investment in associates

Changes to the value of investments in associates in consecutive periods are presented in the table below:

	31.12.2015	31.12.2014
At the beginning of the period	403	320
Share in profits and losses of associates	588	195
Dividend payment	(163)	-
Sold of shares in associated companies	-	(112)
Balance as at the end of the year	**828**	**403**

On March 15, 2012 it BTW Sp. z o.o. was set up in which SCM Sp. z o.o. has 50% of shares. Its core business is restaurant activity. On November 27, 2014 shares of the company BTW Sp. z o.o. were sold in to outside company.

The Group's share in associates and the basic financial data of the entities are as follows:

Name of associate	Country of registration	Assets	Liabilities	Revenues	Profit/ (Loss)	Shares held (%)
December 31, 2015						
SCM s.r.o.	Czech	1 216	193	1 602	588	45.90
December 31, 2014						
SCM s.r.o.	Czech	975	177	1 263	426	45.90

29. Transactions with related entities

Transactions with related parties are held in accordance with market regulations.
Trade and other receivables from related entities

	31.12.2015	31.12.2014
MPI Sp. z o. o.	7	5
Associates	-	28
	7	**33**

Trade and other payables to related entities

	31.12.2015	31.12.2014

MPI Sp. z o. o.	94	1
Associates	-	4
	94	**5**

Sales of goods for resale and services

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
MPI Sp. z o. o.	69	32
Associates	39	30
	108	**62**

Purchase of goods for resale and services

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
MPI Sp. z o. o.	1 575	1 455
Associates	-	-
	1 575	**1 455**

Other related entities

Metropolitan Properties International Sp. z o. o.

As at December 31, 2015. Metropolitan Properties International Sp. z o.o. was a company owned by Henry McGovern. Henry McGovern entered on December 31, 2015. Supervisory Board of AmRest Holdings SE.

Company Metropolitan Properties International Sp. z o.o is involved in activities related to real estate. The Group leases from Metropolitan Properties International Sp. z o.o three restaurants on conditions similar to those lease agreements concluded with third parties. Rental fees and other charges paid MPI amounted to PLN 1.575 thousand and PLN 1.455 thousand a period of twelve consecutive months ending December 31, 2015. and December 31, 2014.

Group shareholders

As at December 31, 2014, WP Holdings VII B.V. was the largest shareholder of AmRest and held 31.71% of its shares and voting rights, and as such was its related entity. No material transactions with WP Holdings VII B.V. related parties were noted.

On August 18, 2015 WP Holdins B.V. have sold to FCapital Dutch B.V. all owned shares in AmRest Group.

As at December 31, 2015, FCapital Dutch B.V. was the largest shareholder of AmRest and held 31.71% of its shares and voting rights, and as such was its related entity. No material transactions with WP Holdings VII B.V. related parties were noted.

Transactions with the management/Management Board, Supervisory Board

The remuneration of the Management Board of AmRest Holdings SE paid by the Group was as follows:

	For the 12 months ended December 31, 2015	For the 12 months ended December 31, 2014
Remuneration of the members of the Management and Supervisory Boards	9 620	6 891

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

paid directly by the Group		
Total remuneration paid to the Management Board and Supervisory Board	**9 620**	**6 891**

The Group's key employees also participate in an employee share option plan (note 19). The costs relating to the employee option plan in respect of management amounted to PLN 10.078 thousand and PLN 5.332 thousand respectively in the 12 month period ended December 31, 2015 and December 31, 2014.

		For the 12 months ended December 31, 2015	**For the 12 months ended December 31, 2014**
Number of options awarded		637 869	760 750
Number of available options		352 115	555 317
Fair value of options as at the moment of awarding	PLN	20 176 377	18 896 200

As at December 31, 2015 and December 31, 2014, there were no liabilities to former employees.

30. Critical accounting estimates and judgments

Key sources of uncertainties relating to estimates

Estimates and judgments are continually verified, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that are exposed to a significant risk of introducing a significant adjustment of the carrying amount of assets and liabilities during another financial year relate mainly to the impairment tests in respect of property, plant and equipment and goodwill, amortization and depreciation, provisions and calculation of deferred tax.

Estimated impairment of goodwill

The Group each year tests goodwill for impairment in accordance with its accounting policies described in note 1p). The recoverable value of a cash generating unit is determined on the basis of the calculation of its value in use (note 11). As at December 31, 2015 goodwill impairment wasn't recognized.

Estimated impairment of property, plant and equipment

Once a year Group tests impairment of property, plant and equipment for impairment losses according to the accounting policy described in note 1p). This value is compared with assets value and in case of identification of gap in coverage there is impairment loss recognized. In the period of 12 months ended December 31, 2015 and December 31, 2014 were recognized impairment losses according to information presented in note 8 and 10.

Estimated depreciation charges

Estimation of depreciation rates is realized on the basis of technical abilities of a given asset, together with planned form and intensity of usage, with simultaneous consideration of experience and legal obligations influencing usage of the given asset.

Increasing the average useful lives of property, plant and equipment by 10% would lead to a decrease in depreciation for the 12-month period ended December 31, 2015 by ca. PLN 20.070 thousand. Increasing the average useful lives of property, plant and equipment by 10% would lead to a decrease in depreciation for the 12-month period ended December 31, 2014 by ca. PLN 18.733 thousand.

Fair value estimation

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

As at financial statement publishing date fair value of financial instruments which are in turnover on active market bases on market quotation. Fair value of financial instruments which aren't in turnover on active market is calculated by using valuation techniques.

The Group uses different methods and assumes assumptions based on market conditions as at each balance sheet date. Fair value of financial assets and investment property available for sale, which aren't in turnover on active market, is calculated with using sector indexes and last available information concerning the investment. Fair value of currency exchange rate option and forwards is calculated based on valuation made by banks which issued the instrument.

The following fair value valuations concerning financial instruments were used by the Group:
- quoted prices (not adjusted) from active markets for the same assets and liabilities (Level 1),
- input data different from quoted prices included in Level 1, which are observed for assets and liabilities directly (as prices) or indirectly (based on prices) (Level 2),
- input data for valuation of assets and liabilities, which don't base on possible to observe market data (input data not observed) (Level 3).

Fair value of investment property, which was not in turnover on active market, was calculated with use of valuation techniques.

	Note	Level 1	Level 2	Level 3	31.12.2015
Investment property	9	-	22 152	-	22 152

Investment property belongs to the "CEE" segment.

For the purpose of the risk management related to certain transaction within the Group, forward currency contracts are used. Open contracts are not designated as cash flow hedges, fair value hedges or net investment hedges in foreign operations. They are signed for periods not longer than risk exposition periods, prevailing for one to twelve months. As at December 31, 2015 the Group was not in possession of open contracts.

Provisions

Key uncertainties and estimates are described in note 20.

Gift card liability estimates

Subsidiaries of the Group are performing operations also within sales and realization of gift cards. Group records a liability in the period in which gift cards are issued and proceeds are received. As gift cards are redeemed, this liability is reduced and revenue is recognized. The liability for gift cards not redeemed after two years is recognized as revenue. Following own and industry experience, historical and legal analysis this approach should be treated as best available estimate regarding gift cards. Value of gift card liability is presented in note 22.

Deferred income tax

Uncertainties and estimates related to deferred taxes come mainly from recognizing a deferred tax asset in respect of unused tax losses carried forward (note 7).

Critical accounting judgments

Critical accounting judgments relate to the classification of leases – notes 23 and 24 and recognition of deferred tax on tax loss carryforwards – note 7. In classification of agreements for operating lease and finance categories critical judgments are made allowing to classify given agreement to given type of leasing. Judgments consider mainly: period of use, purchase option, alternatives availability, term of agreement cancelation.

31. Financial instruments

Fair value

The table below presents financial instruments in the Group, which are not measured at fair value, in their book value and fair value, in division on classes and categories of assets and liabilities:

In thousands of Polish Zloty				31.12.2015		31.12.2014	
Financial instrument	**IAS 39 category**	**Fair value hierachy**	**Notes**	**Fair value**	**Book value**	**Fair value**	**Book value**
Other non-current assets, except for prepayments	A	3	12	49 389	49 389	43 886	43 886
Trade and other receivables	A	*	14,31	51 431	51 431	44 638	44 638
Other current assets, except for prepayments	A	*	15	14 330	14 330	-	-
Cash and cash equivalents	A	*	16	317 871	317 871	257 171	257 171
Interest-bearing loans and borrowings (long term)	B	3	18	756 790	756 790	837 272	837 272
Bonds	B	3	18	279 156	279 156	278 775	278 775
Finance lease liabilities (long term)	B	3	23	7 921	7 921	7 312	7 312
Employee benefits financial liability	B	3	19	3 564	3 564	1 518	1 518
Other non-current financial liabilities	B	3	21	700	700	895	895
Interest-bearing loans and borrowings (short term)	B	*	18	89 418	89 418	337	337
Finance lease liabilities (short term)	B	*	23	1 323	1 323	767	767
Trade and other accounts payable (short term)	B	*	22	373 348	373 348	269 716	269 716

A - loans and receivables measured at amortised cost

B - financial liabilities measured at amortised cost

* It is assumed, that fair value almost equals the book value, therefore no fair value measurement techniques have been used to valuation of these items.

Book values of short-term: receivables, other assets, payables, loans and liabilities are similar to their fair values due to their short term settlement. According to the estimations of the Group, fair values of non-current assets and liabilities immaterially differs from their respective book values.
As at December 31, 2015 the Group did not possess financial instruments measured at fair value. As at December 31, 2015 the Group did not recognize the transfers between levels of fair value valuations.

Risk management

The Group is exposed to several financial risks in connection with its activities, including: the risk of market fluctuations (covering the foreign exchange risk and risk of changes in interest rates), risk related to financial liquidity and – to a limited extent – credit risk. The risk management program implemented by the Group is based on the assumption of the unpredictability of the financial markets and is used to maximally limit the impact of negative factors on the Company's financial results.

Risk management is based on procedures approved by the Management Board.

Credit risk

Financial instruments especially exposed to credit risk include cash and cash equivalents, receivables, derivatives and investments held to maturity. The Group invests cash and cash equivalents with highly reliable financial institutions. There is no significant concentration of credit risk in respect of trade and other receivables due to the fact that sales are based mainly on cash and credit card payments. The Group set up an additional impairment write-down of PLN 1.446 thousand for the Group's receivables exposed to credit risk. The maximum credit risk exposure amounts to PLN 409.961 thousand.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

The ageing break-down of receivables and receivable write-downs as at December 31, 2015 is presented in the table below:

	current	overdue in days				Total
		less than 90	91 - 180	181 - 365	more than 365	
Trade and other receivables	92 414	4 128	311	348	5 429	102 630
Receivable write-downs	(4 836)	(517)	-	-	(5 187)	(10 540)
Total	87 578	3 611	311	348	242	92 090

Value of impairment provisions for receivables as at December 31, 2015 and December 31, 2014 is presented in table below:

	31.12.2015	**31.12.2014**
Value for the beginning of the period	7 464	6 472
Provision created	2 678	3 330
Provisions released	-	(42)
Provisions used	(98)	(1 358)
Other	496	(938)
Value for the end of the period	**10 540**	**7 464**

The Group did not recognize impairment on overdue trade and other receivables of PLN 4.512 thousand because it believes that they will be recovered in full.

Interest rate risk

Bank borrowings drawn by the Group are most often based on fluctuating interest rates (note 18). As at December 31, 2015 the Group does not hedge against changes in cash flows resulting from interest rate fluctuations which have an impact on the results. The Group analyzes the market position relating to interest on loans in terms of potential refinancing of debt or renegotiating the lending terms and conditions. The impact of changes in interest rates on results is analyzed in quarterly periods.

Had the interest rates on loans denominated in Polish zloties during the 12 months ended December 31, 2015 30 base points higher/lower, the profit before tax for the period would have been PLN 1.257 thousand lower/higher (2014: PLN 1.293 thousand).

Had the interest rates on loans denominated in Czech crowns during the 12 months ended December 31, 2015 been 30 base points higher/lower, the profit before tax for the period would have been PLN 184 thousand lower/higher (2014: PLN 182 thousand).

Had the interest rates on loans denominated in euro during the 12 months ended December 31, 2015 been 30 base points higher/lower, the profit before tax for the period would have been PLN 1.878 thousand lower/higher (2014: PLN 1.857 thousand).

Foreign exchange risk

The Group is exposed to foreign exchange risk related to transactions in currencies other than the functional currency in which the business operations are measured in particular Group companies. Foreign exchange risk results from future business transactions, recognized assets and liabilities. Moreover, lease payments related to a significant part of the Group's lease agreements are indexed to the exchange rate of the American dollar or the euro. Nevertheless, the Group is trying to sign lease agreements in local currencies whenever possible, but many landlords require that the lease payments be indexed to the euro or to the American dollar.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

For hedging transactional risk and risk resulting from revaluation of recognized assets and liabilities Group uses derivative forward financial instruments.

Net investment foreign currency valuation risk

Group is exposed to risk of net investment valuation in subsidiaries valued in foreign currencies. This risk is hedged for key positions with use of net investment hedge.

In 2015 Group applies hedging accounting for revaluation of borrowings, in EUR constitute net investment hedges in Hungarian and Spanish entities. Details concerning hedging on currency risk are described in note 17.

The Group is also exposed to translation risk resulting from converting the income statement and balance sheet items of Russian subsidiaries into PLN. As of the balance sheet date the official exchange rate of Russian Rouble against Polish zloty was PLN 0,0528 per RUB 1, compared to PLN 0,0602 per RUB 1 as at 31 December 2014. Significant change in exchange rates may have a negative or positive effect on the value and results of the businesses in Russia. The Group does not use specific tools to hedge against foreign exchange risks related to valuations of business operations in Russia

Sensitivity analysis

As at December 31, 2015 and December 31, 2014, the Group's assets and liabilities are denominated mainly in the functional currencies of the Group members.

As at December 31, 2015 if foreign exchange rates would increase by 10% effect of net investment hedge valuation would not influence net income due to 100% efficiency of the hedge. Effect on the comprehensive income would be in the value of PLN 63.922 thousand (2014: PLN 63.934 thousand).

Liquidity risk

Prudent financial liquidity management assumes that sufficient cash and cash equivalents are maintained and that further financing is available from guaranteed funds from credit lines.

The table below shows an analysis of the Group's financial liabilities which will be settled in net amounts in particular ageing brackets, on the basis of the term to maturity as at the balance sheet date. The amounts shown in the table constitute contractual, undiscounted cash flows.

The maturity break-down of long- and short-term borrowings as at December 31, 2015 and December 31, 2014 is presented in the table below:

	31.12.2015			31.12.2014		
	Loan installments	Interest and other charges	Total	Loan installments	Interest and other charges	Total
Up to 1 year	91 754	52 165	143 919	2 709	40 064	42 773
Between 1 and 2 years	157 850	44 090	201 940	85 227	53 980	139 207
Between 2 and 5 years	880 164	39 736	919 900	1 035 224	85 970	1 121 194
More than 5 years	-	-	-	-	-	-
Payable gross value	1 129 768	135 991	1 265 759	1 123 160	180 014	1 303 174
Not amortized loan cost	(4 404)	-	(4 404)	(6 776)	-	(6 776)
Payable net value	1 125 364	135 991	1 261 355	1 116 384	180 014	1 296 398

Capital risk

The Group manages capital risk to protect its ability to continue in operation, so as to enable it to realize returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost. Financing at the level of 3.5 of yearly EBITDA is treated as acceptable target and safe level of capital risk.

The Group monitors capital using the gearing ratio. The ratio is calculated as net debt to the value of EBITDA. Net debt is calculated as the sum of borrowings (comprising loans and advances, and finance lease liabilities) net of cash and cash equivalents. EBITDA is calculated as the profit from operations before interest, taxes, depreciation and amortization and impairment.

Notes to the consolidated financial statements (in PLN thousands unless stated otherwise)

The Group's gearing as at December 31, 2015 and December 31, 2014 is as follows:

	31.12.2015	**31.12.2014**
Total borrowings (note 18)*	1 125 364	1 116 384
Finance lease liabilities (note 23)	9 244	8 079
Less: Cash and cash equivalents (note16)*	(317 871)	(257 171)
Net debt	816 737	867 292
Income from operating activity before interests, tax, depreciation, gain/loss on fixed assets sale and impaiment (adjusted EBITDA)	440 365	367 713
Gearing ratio	**1,85**	**2.36**

The decrease in the gearing ratio as at December 31, 2015 results from higher operating income.

32. Events after the Balance Sheet Date

On January 22, 2016 was signed by AmRest Group an area development and operation agreement and supply agreement regarding the rights and license to develop, own and operate Starbucks stores in the Slovak Republic.

As at February 26, 2016 AmRest sp. z o.o. has received return of PLN 14 330 thousand (EUR 3 276 thousand) being the effect of purchase price adjustment for shares of Starbucks operators in Romania and Bulgaria.

Signatures of Board Members

Drew O'Malley
AmRest Holdings SE
Board Member

Mark Chandler
AmRest Holdings SE
Board Member

Wojciech Mroczyński
AmRest Holdings SE
Board Member

Jacek Trybuchowski
AmRest Holdings SE
Board Member

Oksana Staniszewska
AmRest Holdings SE
Board Member

Olgierd Danielewicz
AmRest Holdings SE
Board Member

Wrocław, March 11, 2016

En Madrid, a 14 de noviembre de 2018

Muy Sres. nuestros:

Los informes de auditoría de la sociedad AmRest Holdings SE (la "**Sociedad**") correspondientes a los estados financieros individuales y consolidados de la Sociedad del ejercicio finalizado a 31 de diciembre 2015 incluidos anteriormente son la traducción al inglés de los originales preparados en polaco. Se hace constar que en la traducción al inglés de dichos documentos no consta la firma de los auditores de la Sociedad. No obstante lo anterior, los informes originales preparados en polaco y firmados por los auditores de la Sociedad pueden consultarse en la página web de la Sociedad a través de los siguientes enlaces:

- https://www.amrest.eu/pl/inwestorzy/raporty-okresowe/jednostkowy-roczny-raport-finansowy-amrest-za-rok-2015
- https://www.amrest.eu/pl/inwestorzy/raporty-okresowe/skonsolidowany-roczny-raport-finansowy-amrest-za-rok-2015.

Atentamente,

AmRest Holdings SE

P.p.

____

D. Jaime Tarrero Martos

Vicesecretario del Consejo de Administración