

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED  
31 MARCH 2007

## CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/1/2007 - 31/3/2007 RM'000	1/1/2006 31/3/2006 RM'000	1/1/2007 - 31/3/2007 RM'000	1/1/2006 31/3/2006 RM'000
Revenue	A8	103,801	99,385	103,801	99,385
Operating expenses		(96,267)	(89,826)	(96,267)	(89,826)
Other operating income		482	635	482	635
Profit from operations		8,016	10,194	8,016	10,194
Finance costs		(2,964)	(2,133)	(2,964)	(2,133)
Operating profit before share of profits of associate	A8	5,052	8,061	5,052	8,061
Share of profits of associate (net of tax)		9,748	6,277	9,748	6,277
Profit before tax		14,800	14,338	14,800	14,338
Income tax expense		(1,520)	(2,386)	(1,520)	(2,386)
Profit for the period		13,280	11,952	13,280	11,952
Earnings per share (sen) :					
(a) Basic		5.42	4.98	5.42	4.98
(b) Fully diluted		-	4.91	-	4.91

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

## CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF CURRENT QUARTER 31/3/2007  RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2006 (AUDITED) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	107,506	106,464
Goodwill on consolidation	50,605	50,605
Intangible assets	11,453	11,271
Investments in associate	445,824	436,076
Fixed deposits	14,864	14,864
	<u>630,252</u>	<u>619,280</u>
<b>Current assets</b>		
Inventories	14,333	15,071
Trade and other receivables	31,314	27,623
Tax Recoverable	6,292	5,312
Cash and bank balances	47,704	32,225
	<u>99,643</u>	<u>80,231</u>
<b>TOTAL ASSETS</b>	<u>729,895</u>	<u>699,511</u>
<b>EQUITY AND LIABILITIES :</b>		
<b>Equity attributable to the equity holders of the Company</b>		
Share capital	245,471	244,253
Other reserves		
<i>Share premium</i>	9,152	8,920
<i>Exchange fluctuation reserve</i>	(38)	(21)
<i>Revaluation reserve</i>	599	599
Retained earnings	185,409	172,129
<b>Total equity</b>	<u>440,593</u>	<u>425,880</u>
<b>Non-current liabilities</b>		
Borrowings	202,044	200,011
Deferred tax liabilities	6,646	6,646
	<u>208,690</u>	<u>206,657</u>
<b>Current liabilities</b>		
Borrowings	34,325	7,432
Trade and other payables	46,287	56,938
Current tax payable	-	2,604
	<u>80,612</u>	<u>66,974</u>
<b>Total liabilities</b>	<u>289,302</u>	<u>273,631</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>729,895</u>	<u>699,511</u>
Net assets per share (RM)	1.79	1.74

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Attributable to equity holders of the Company ----->					
	<-----Non-Distributable ----->				Distributable	Total
	Share Capital RM'000	Share Premium RM'000	Fluctuation Reserve RM'000	Revaluation Reserve RM'000		
At 1 January 2007	244,253	8,920	(21)	599	172,129	425,880
Profit for the period	-	-	-	-	13,280	13,280
Issue of shares - conversion of warrants	1,218	232	-	-	-	1,450
Translation differences	-	-	(17)	-	-	(17)
At 31 March 2007	<u>245,471</u>	<u>9,152</u>	<u>(38)</u>	<u>599</u>	<u>185,409</u>	<u>440,593</u>
At 1 January 2006	239,288	7,977	(57)	596	130,351	378,155
Profit for the period	-	-	-	-	11,952	11,952
Issue of shares - conversion of warrants	1,562	296	-	-	-	1,858
Translation differences	-	-	7	-	-	7
At 31 March 2006	<u>240,850</u>	<u>8,273</u>	<u>(50)</u>	<u>596</u>	<u>142,303</u>	<u>391,972</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)

**QSR BRANDS BHD** (599171-D)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	CURRENT QUARTER AS AT 31/3/2007 RM'000	PRIOR YEAR QUARTER AS AT 31/3/2006 RM'000
<b>Operating activities</b>		
Profit before tax	14,800	14,338
Adjustments for :		
Share of results of associate	(9,748)	(6,277)
Interest expense	2,964	2,133
Non-cash items	5,713	4,903
Operating profit before working capital changes	<u>13,729</u>	<u>15,097</u>
Changes in working capital :		
Net change in current assets	(2,953)	(7,367)
Net change in current liabilities	(10,651)	(7,678)
Cash generated from operations	<u>125</u>	<u>52</u>
Interest paid	(2,964)	(2,133)
Taxes paid	(5,104)	(1,150)
Net cash generated from operating activities	<u>(7,943)</u>	<u>(3,231)</u>
<b>Investing activities</b>		
Equity investments	-	-
Other investments	(6,954)	(7,309)
Net cash used in investing activities	<u>(6,954)</u>	<u>(7,309)</u>
<b>Financing activities</b>		
Issuance of shares	1,450	1,858
Loan- exchange difference	(399)	-
Bank borrowings	29,325	-
Net cash generated from financing activities	<u>30,376</u>	<u>1,858</u>
Net change in cash and cash equivalents	15,479	(8,682)
Cash and cash equivalents at beginning of period	32,225	84,853
Cash and cash equivalents at end of period	<u><u>47,704</u></u>	<u><u>76,171</u></u>
The cash and cash equivalents consist of the following:		
<i>Deposits with Financial Institutions</i>	27,399	65,044
<i>Cash and bank balances</i>	20,305	11,127
	<u><u>47,704</u></u>	<u><u>76,171</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)