

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED  
30 JUNE 2007

## CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/4/2007 - 30/6/2007 RM'000	1/4/2006 30/6/2006 RM'000	1/1/2007 - 30/6/2007 RM'000	1/1/2006 30/6/2006 RM'000
Revenue	A8	109,613	103,681	213,414	203,066
Operating expenses		(100,119)	(94,229)	(196,386)	(184,055)
Other operating income		732	696	1,214	1,331
Profit from operations		10,226	10,148	18,242	20,342
Finance costs		(3,554)	(2,403)	(6,518)	(4,536)
Operating profit before share of profits of associate	A8	6,672	7,745	11,724	15,806
Share of profits of associate (net of tax)		10,395	7,395	20,143	13,672
Profit before tax		17,067	15,140	31,867	29,478
Income tax expense		(2,000)	(2,514)	(3,520)	(4,900)
Profit for the period		15,067	12,626	28,347	24,578
Earnings per share (sen) :					
(a) Basic		6.14	5.25	11.55	10.22
(b) Fully diluted		-	5.18	-	10.09

(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)

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

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	AS AT END OF CURRENT QUARTER 30/6/2007  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	114,308	106,464
Goodwill on consolidation	50,605	50,605
Intangible assets	11,793	11,271
Investments in associate	482,024	436,076
Fixed deposits	11,510	14,864
	<u>670,240</u>	<u>619,280</u>
<b>Current assets</b>		
Inventories	13,767	15,071
Trade and other receivables	21,933	27,623
Tax Recoverable	7,511	5,312
Cash and bank balances	48,469	32,225
	<u>91,680</u>	<u>80,231</u>
<b>TOTAL ASSETS</b>	<u>761,920</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	200,476	172,129
<b>Total equity</b>	<u>455,660</u>	<u>425,880</u>
<b>Non-current liabilities</b>		
Borrowings	198,260	200,011
Deferred tax liabilities	6,652	6,646
	<u>204,912</u>	<u>206,657</u>
<b>Current liabilities</b>		
Borrowings	46,138	7,432
Trade and other payables	55,210	56,938
Current tax payable	-	2,604
	<u>101,348</u>	<u>66,974</u>
<b>Total liabilities</b>	<u>306,260</u>	<u>273,631</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>761,920</u>	<u>699,511</u>
Net assets per share (RM)	1.86	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)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<-----Attributable to equity holders of the Company ----->					
	<-----Non-Distributable ----->				Distributable	
	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2007	244,253	8,920	(21)	599	172,129	425,880
Profit for the period	-	-	-	-	28,347	28,347
Issue of shares - conversion of warrants	1,218	232	-	-	-	1,450
Translation differences	-	-	(17)	-	-	(17)
At 30 June 2007	<u>245,471</u>	<u>9,152</u>	<u>(38)</u>	<u>599</u>	<u>200,476</u>	<u>455,660</u>
At 1 January 2006	239,288	7,977	(57)	596	130,351	378,155
Profit for the period	-	-	-	-	24,578	24,578
Issue of shares - conversion of warrants	1,622	308	-	-	-	1,930
Translation differences	-	-	29	-	-	29
At 30 June 2006	<u>240,910</u>	<u>8,285</u>	<u>(28)</u>	<u>596</u>	<u>154,929</u>	<u>404,692</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**

	CUMULATIVE QUARTERS AS AT 30/6/2007 RM'000	CUMULATIVE QUARTERS AS AT 30/6/2006 RM'000
<b>Operating activities</b>		
Profit before tax	31,867	29,478
Adjustments for :		
Share of profits of associate	(20,143)	(13,672)
Interest expense	6,518	4,536
Non-cash items	11,460	10,261
Operating profit before working capital changes	<u>29,702</u>	<u>30,603</u>
Changes in working capital :		
Net change in current assets	6,994	(16,807)
Net change in current liabilities	(1,728)	(5,281)
Cash generated from operations	<u>34,968</u>	<u>8,515</u>
Interest paid	(6,518)	(4,536)
Taxes paid	(8,317)	(2,363)
Net cash generated from operating activities	<u>20,133</u>	<u>1,616</u>
<b>Investing activities</b>		
Equity investments	(25,805)	-
Other investments	(19,843)	(15,971)
Net cash used in investing activities	<u>(45,648)</u>	<u>(15,971)</u>
<b>Financing activities</b>		
Issuance of shares	1,450	1,930
Reduction in the restriction on deposits pledged with licensed bank	3,354	-
Bank borrowings	36,955	(3,584)
Net cash generated from/(used in) financing activities	<u>41,759</u>	<u>(1,654)</u>
Net change in cash and cash equivalents	16,244	(16,009)
Cash and cash equivalents at beginning of period	32,225	84,853
Cash and cash equivalents at end of period	<u>48,469</u>	<u>68,844</u>
The cash and cash equivalents consist of the following:		
<i>Deposits with financial institutions</i>	35,315	59,739
<i>Cash and bank balances</i>	13,154	9,105
	<u>48,469</u>	<u>68,844</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)