

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/7/2006 - 30/9/2006 RM'000	1/7/2005 30/9/2005 RM'000	1/1/2006 - 30/9/2006 RM'000	1/1/2005 30/9/2005 RM'000
Revenue	A8	116,022	102,711	319,088	284,056
Operating expenses		(101,045)	(89,499)	(285,100)	(259,938)
Other operating income		666	582	1,997	1,442
Profit from operations		15,643	13,794	35,985	25,560
Finance cost		(2,628)	(2,227)	(7,164)	(6,935)
Operating profit before other expenses and share of results of associate	A8	13,015	11,567	28,821	18,625
Other Expenses		-	-	-	(1,861)
Operating profit before share of results of associate		13,015	11,567	28,821	16,764
Share of results of associate (net of tax)		9,268	6,155	22,940	(18,860)
Profit/(loss) before taxation		22,283	17,722	51,761	(2,096)
Taxation		(4,000)	(2,514)	(8,900)	(5,484)
Net profit/(loss) for the period		<u>18,283</u>	<u>15,208</u>	<u>42,861</u>	<u>(7,580)</u>
Earnings/(loss) per share (sen) :					
(a) Basic		7.60	6.73	17.81	(3.36)
(b) Fully diluted		7.51	6.62	17.59	(3.30)

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005 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 30/9/2006 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2005 RM'000
Non-Current Assets		
Property, Plant and Equipment	97,198	89,667
Investment in Associate	409,579	306,915
Goodwill on Consolidation	50,605	50,605
Intangible Assets	10,195	7,085
Fixed Deposit	20,000	20,000
	<u>587,577</u>	<u>474,272</u>
Current Assets		
<i>Properties held for sale</i>	1,151	1,151
<i>Inventories</i>	18,052	14,039
<i>Trade and Other Receivables</i>	31,901	15,191
<i>Tax Recoverable</i>	-	3,577
<i>Cash and Bank Balances</i>	42,181	84,853
	<u>93,285</u>	<u>118,811</u>
Current Liabilities		
<i>Trade and Other Payables</i>	50,077	49,711
<i>Tax Payable</i>	1,873	2,844
<i>Borrowings</i>	7,424	7,336
	<u>59,374</u>	<u>59,891</u>
Net Current Assets	<u>33,911</u>	<u>58,920</u>
	<u>621,488</u>	<u>533,192</u>
Equity and Liabilities :		
Equity attributable to the equity holders of the Company		
Share Capital	241,124	239,288
Reserves		
<i>Share Premium</i>	8,326	7,977
<i>Revaluation Reserve</i>	596	596
<i>Exchange Fluctuation Reserve</i>	(7)	(57)
<i>Retained Earnings</i>	161,069	130,351
Total Equity	<u>411,108</u>	<u>378,155</u>
Long Term Borrowings	203,707	148,375
Deferred Taxation	6,673	6,662
	<u>621,488</u>	<u>533,192</u>
Net assets per share (RM)	1.70	1.58

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005 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					Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Earnings RM'000	
At 1 January 2006	239,288	7,977	596	(57)	130,351	378,155
Net profit for the period	-	-	-	-	42,861	42,861
Dividends - 2005 Final - 2006 Interim	-	-	-	-	(6,939) (5,204)	(6,939) (5,204)
Issue of shares - conversion of warrants	1,836	349	-	-	-	2,185
Translation differences	-	-	-	50	-	50
At 30 September 2006	<u>241,124</u>	<u>8,326</u>	<u>596</u>	<u>(7)</u>	<u>161,069</u>	<u>411,108</u>
At 1 January 2005	196,698	82	-	(397)	132,153	328,536
Net loss for the period	-	-	-	-	(7,580)	(7,580)
Dividends - 2004 First & Final - 2005 Interim	-	-	-	-	(6,857) (5,169)	(6,857) (5,169)
Issue of shares - conversion of warrants	42,584	7,894	-	-	-	50,478
Revaluation surplus, net of deferred tax Land and buildings	-	-	790	-	-	790
Translation differences	-	-	-	837	-	837
At 30 September 2005	<u>239,282</u>	<u>7,976</u>	<u>790</u>	<u>440</u>	<u>112,547</u>	<u>361,035</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 2005 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CURRENT CUMULATIVE QUARTERS AS AT 30/9/2006 RM'000	PRIOR YEAR CUMULATIVE QUARTERS AS AT 30/9/2005 RM'000
Operating activities		
Profit/(loss) before taxation	51,761	(2,096)
Adjustments for :		
Share of results of associate	(22,940)	18,860
Interest expense	7,164	6,935
Impairment losses arising from revaluation of properties	-	33
Non-cash items	15,277	13,681
Operating profit before working capital changes	<u>51,262</u>	<u>37,413</u>
Changes in working capital :		
Net change in current assets	(20,723)	646
Net change in current liabilities	366	(6,458)
Cash generated from operations	<u>30,905</u>	<u>31,601</u>
Interest paid	(7,164)	(6,935)
Taxation paid	(6,283)	(5,750)
Net cash generated from operating activities	<u>17,458</u>	<u>18,916</u>
Investing activities		
Equity investments	(79,724)	4,994
Other investments	(25,868)	(13,927)
Net cash used in investing activities	<u>(105,592)</u>	<u>(8,933)</u>
Financing activities		
Issuance of shares	2,185	50,478
Payment of dividends	(12,143)	(12,026)
Bank borrowings	55,420	21,802
Net cash generated from financing activities	<u>45,462</u>	<u>60,254</u>
Net change in cash and cash equivalents	(42,672)	70,237
Cash and cash equivalents at beginning of period	84,853	29,801
Cash and cash equivalents at end of period	<u>42,181</u>	<u>100,038</u>
The cash and cash equivalents consist of the following:		
<i>Deposits with Financial Institutions</i>	32,879	87,656
<i>Cash and Bank Balances</i>	9,302	12,382
	<u>42,181</u>	<u>100,038</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)