

QSR BRANDS BHD (599171-D)

(Incorporated in Malaysia)

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED INCOME STATEMENT

		INDIVIDUAL QUARTER		CUMULATIVE
		1/10/2010 - 31/12/2010	1/10/2009 - 31/12/2009	1/1/2010 - 31/12/2010
	Note	RM'000	RM'000	RM'000
Revenue	A9	831,400	754,751	3,035,827
Operating expenses		(758,273)	(682,691)	(2,767,979)
Other operating income		7,709	665	9,510
Profit from operations		80,836	72,725	277,358
Finance costs		(3,163)	(2,489)	(10,499)
Profit before tax	A9	77,673	70,236	266,859
Tax expense		(18,004)	(24,868)	(77,104)
Profit for the year		59,669	45,368	189,755
Attributable to :				
Shareholders of the Company		35,295	26,222	110,210
Minority interests		24,374	19,146	79,545
Profit for the year		59,669	45,368	189,755
Earnings per share (sen) :				
(a) Basic		12.82	9.41	40.03
(b) Fully diluted		12.36	9.29	38.59

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

QSR BRANDS BHD (599171-D)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE
	1/10/2010 - 31/12/2010	1/10/2009 - 31/12/2009	1/1/2010 - 31/12/2010
	RM'000	RM'000	RM'000
Profit for the year	59,669	45,368	189,755
Foreign currency translation differences for foreign operations	(519)	1,451	(998)
Available for sale investments' fair value movement	(675)	-	1,737
Net surplus arising from revaluation of properties	77,974	-	77,974
Total comprehensive income for the year	<u>136,449</u>	<u>46,819</u>	<u>268,468</u>
Total comprehensive income attributable to :			
Shareholders of the Company	112,075	27,673	188,923
Minority interests	<u>24,374</u>	<u>19,146</u>	<u>79,545</u>
Total comprehensive income for the year	<u>136,449</u>	<u>46,819</u>	<u>268,468</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/12/2010 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2009 (AUDITED) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,168,831	936,117
Franchise rights & brands	525,795	525,795
Goodwill on consolidation	81,334	72,413
Intangible assets	38,503	39,896
Quoted investments	25,200	-
Unquoted investments	3,074	-
	<u>1,842,737</u>	<u>1,574,221</u>
Current assets		
Inventories	233,539	190,104
Receivables and deposits	169,876	165,996
Cash and cash equivalents	163,882	162,470
	<u>567,297</u>	<u>518,570</u>
TOTAL ASSETS	<u>2,410,034</u>	<u>2,092,791</u>
EQUITY		
Share capital	290,682	286,384
Reserves		
<i>Share premium</i>	70,742	61,244
<i>Exchange fluctuation reserve</i>	1,173	2,171
<i>Asset revaluation reserve</i>	78,379	405
<i>Available for sale reserve</i>	1,737	-
<i>Warrants reserve</i>	7,322	8,182
<i>Treasury shares</i>	(34,085)	(27,034)
Retained earnings	435,129	355,792
Total equity attributable to shareholders of the Company	<u>851,079</u>	<u>687,144</u>
Minority interests	700,222	646,260
Total equity	<u>1,551,301</u>	<u>1,333,404</u>
Non-current liabilities		
Loans and borrowings	291,737	264,679
Deferred tax liabilities	68,326	44,710
Employee benefits	2,913	3,099
	<u>362,976</u>	<u>312,488</u>
Current liabilities		
Payables and accruals	428,776	394,101
Current tax liabilities	17,330	15,506
Loans and borrowings	49,007	36,891
Employee benefits	644	401
	<u>495,757</u>	<u>446,899</u>
Total liabilities	<u>858,733</u>	<u>759,387</u>
TOTAL EQUITY AND LIABILITIES	<u>2,410,034</u>	<u>2,092,791</u>
Net assets per share (RM)	2.93	2.40

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Attributable to shareholders of the Company ----->									
	<-----Non-Distributable ----->					Distributable				
	Share capital RM'000	Share premium RM'000	Exchange fluctuation reserve RM'000	Asset revaluation reserve RM'000	Available for sale reserve RM'000	Warrants reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Minority interests RM'000
At 1 January 2010	286,384	61,244	2,171	405	-	8,182	(27,034)	355,792	687,144	646,260
Total comprehensive income for the year	-	-	(998)	77,974	1,737	-	-	110,210	188,923	79,545
Treasury shares acquired	-	-	-	-	-	-	(7,051)	-	(7,051)	-
Dividend - 2009 Final	-	-	-	-	-	-	-	(18,553)	(18,553)	-
- 2010 Interim	-	-	-	-	-	-	-	(12,320)	(12,320)	-
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	(19,592)
Issuance of shares :										
Conversion of warrants	4,298	9,498	-	-	-	(860)	-	-	12,936	-
Increase in minority interests	-	-	-	-	-	-	-	-	-	397
Acquisition from minority shareholders	-	-	-	-	-	-	-	-	-	(6,388)
At 31 December 2010	290,682	70,742	1,173	78,379	1,737	7,322	(34,085)	435,129	851,079	700,222
At 1 January 2009	286,383	61,241	744	415	-	8,182	(11,174)	287,891	633,682	627
Total comprehensive income for the year	-	-	1,427	(20)	-	-	-	90,942	92,349	67,471
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	594,861
Treasury shares acquired	-	-	-	-	-	-	(15,860)	-	(15,860)	-
Dividend - 2008 Final	-	-	-	-	-	-	-	(14,760)	(14,760)	-
- 2009 Interim	-	-	-	-	-	-	-	(8,281)	(8,281)	-
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	(16,699)
Reversal of deferred tax	-	-	-	10	-	-	-	-	10	-
Issuance of shares :										
Conversion of warrants	1	3	-	-	-	-	-	-	4	-
At 31 December 2009	286,384	61,244	2,171	405	-	8,182	(27,034)	355,792	687,144	646,260

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	CUMULATIVE QUARTERS AS AT 31/12/2010 RM'000	CUMULATIVE QUARTERS AS AT 31/12/2009 RM'000 (AUDITED)
Operating activities		
Profit before tax	266,859	230,261
Adjustments for :		
Interest expense	10,499	11,666
Interest income	(905)	(752)
Net surplus arising from revaluation of properties	(6,723)	-
Non-cash items	131,470	120,523
Operating profit before working capital changes	<u>401,200</u>	<u>361,698</u>
Changes in working capital :		
Net change in current assets	(54,614)	(8,847)
Net change in current liabilities	34,135	39,468
Cash generated from operations	<u>380,721</u>	<u>392,319</u>
Interest paid	(10,499)	(11,666)
Taxes paid	(56,652)	(56,649)
Net cash generated from operating activities	<u>313,570</u>	<u>324,004</u>
Investing activities		
Equity investments	(44,836)	91,666
Other investments	(264,011)	(205,621)
Net cash used in investing activities	<u>(308,847)</u>	<u>(113,955)</u>
Financing activities		
Issuance of shares	12,936	4
Proceeds from conversion of warrants of subsidiary	397	-
Purchase of treasury shares	(7,051)	(15,860)
Payment of dividends	(30,873)	(23,041)
Bank borrowings	38,151	(18,202)
Payment of dividends to minority interests in subsidiaries	(19,592)	(16,699)
Net cash used in financing activities	<u>(6,032)</u>	<u>(73,798)</u>
Net change in cash and cash equivalents	(1,309)	136,251
Effects of foreign exchange rate changes	2,721	(2,098)
Cash and cash equivalents at beginning of year	162,470	28,317
Cash and cash equivalents at end of year	<u>163,882</u>	<u>162,470</u>
The cash and cash equivalents consist of the following:		
<i>Deposits with financial institutions</i>	69,426	111,326
<i>Cash and bank balances</i>	94,456	51,144
	<u>163,882</u>	<u>162,470</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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REVENUE
1/1/2009 -
31/12/2009
RM'000
(AUDITED)

2,760,285

(2,521,226)

2,868

241,927

(11,666)

230,261

(71,868)

158,393

90,922

67,471

158,393

32.64

32.22

d

QUARTERS
1/1/2009 -
31/12/2009
RM'000
(AUDITED)

158,393

1,427

-

-

159,820

92,349

67,471

159,820

**Total
equity
RM'000**

1,333,404

268,468

(7,051)

(18,553)

(12,320)

(19,592)

12,936

397

(6,388)

1,551,301

634,309

159,820

594,861

(15,860)

(14,760)

(8,281)

(16,699)

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1,333,404

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