

QSR BRANDS BHD (599171-D)

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED
31 DECEMBER 2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		1/10/2008 - 31/12/2008 RM'000	1/10/2007 31/12/2007 RM'000	1/1/2008 - 31/12/2008 RM'000	1/1/2007 31/12/2007 RM'000 (AUDITED)
Revenue	A8	140,911	127,436	532,752	466,379
Operating expenses		(127,398)	(115,226)	(484,279)	(420,972)
Other operating income		75	308	1,520	2,196
Profit from operations		13,588	12,518	49,993	47,603
Finance costs		(2,029)	(3,700)	(9,378)	(13,907)
Operating profit before share of profits of associate	A8	11,559	8,818	40,615	33,696
Share of profits of associate (net of tax)		14,027	14,587	57,124	46,490
Profit before tax		25,586	23,405	97,739	80,186
Income tax expense		(4,400)	(5,170)	(14,000)	(13,170)
Profit for the year		21,186	18,235	83,739	67,016
Attributable to :					
Equity holders of the Company		21,797	18,235	85,293	67,016
Minority interest		(611)	-	(1,554)	-
		21,186	18,235	83,739	67,016
Earnings per share (sen) :					
(a) Basic		7.89	7.43	30.88	27.31
(b) Fully diluted		-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 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 31/12/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2007 (AUDITED) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	145,877	124,627
Prepaid land lease payment	1,334	-
Goodwill on consolidation	50,605	50,605
Intangible assets	12,995	12,355
Investments in associate	605,409	521,521
Fixed deposits	-	5,952
	<u>816,220</u>	<u>715,060</u>
Current assets		
Inventories	28,699	13,875
Trade and other receivables	22,743	23,067
Tax recoverable	7,118	7,769
Cash and bank balances	28,317	42,001
	<u>86,877</u>	<u>86,712</u>
TOTAL ASSETS	<u>903,097</u>	<u>801,772</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the Company		
Share capital	286,383	245,471
Other reserves		
<i>Share premium</i>	69,423	9,152
<i>Exchange fluctuation reserve</i>	744	69
<i>Revaluation reserve</i>	428	588
Treasury shares	(11,174)	-
Retained earnings	287,878	221,237
	<u>633,682</u>	<u>476,517</u>
Minority interest	627	-
Total equity	<u>634,309</u>	<u>476,517</u>
Non-current liabilities		
Borrowings	173,000	170,979
Deferred tax liabilities	9,915	9,375
	<u>182,915</u>	<u>180,354</u>
Current liabilities		
Borrowings	5,717	80,221
Trade and other payables	78,773	62,481
Current tax payable	1,383	2,199
	<u>85,873</u>	<u>144,901</u>
Total liabilities	<u>268,788</u>	<u>325,255</u>
TOTAL EQUITY AND LIABILITIES	<u>903,097</u>	<u>801,772</u>
Net assets per share (RM)	2.21	1.94

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←-----Attributable to equity holders of the Company----->							Minority Interest	Total Equity
	←-----Non-Distributable----->				Distributable				
	Exchange			Treasury Shares	Retained Earnings	Total			
	Share Capital	Share Premium	Fluctuation Reserve				Revaluation Reserve		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2008	245,471	9,152	69	588	-	221,237	476,517	-	476,517
Profit/(loss) for the year	-	-	-	-	-	85,293	85,293	(1,554)	83,739
Dividend - 2007 Final	-	-	-	-	-	(10,542)	(10,542)	-	(10,542)
- 2008 Interim	-	-	-	-	-	(8,332)	(8,332)	-	(8,332)
Issue of shares									
- rights issue	40,912	61,368	-	-	-	-	102,280	-	102,280
- share issue cost	-	(1,097)	-	-	-	-	(1,097)	-	(1,097)
Acquisition of minority interest	-	-	-	-	-	-	-	2,181	2,181
Treasury shares acquired	-	-	-	-	(11,174)	-	(11,174)	-	(11,174)
Transfer to retained earnings upon disposal of property, plant & equipment	-	-	-	(154)	-	208	54	-	54
Reversal of deferred tax	-	-	-	8	-	-	8	-	8
Transfer from revaluation reserve	-	-	-	(14)	-	14	-	-	-
Translation differences	-	-	675	-	-	-	675	-	675
At 31 December 2008	286,383	69,423	744	428	(11,174)	287,878	633,682	627	634,309
At 1 January 2007	244,253	8,920	(21)	599	-	172,129	425,880	-	425,880
Profit for the year	-	-	-	-	-	67,016	67,016	-	67,016
Dividend - 2006 Final	-	-	-	-	-	(10,752)	(10,752)	-	(10,752)
- 2007 Interim	-	-	-	-	-	(7,167)	(7,167)	-	(7,167)
Issue of shares									
- conversion of warrants	1,218	232	-	-	-	-	1,450	-	1,450
Transfer from revaluation reserve	-	-	-	(11)	-	11	-	-	-
Translation differences	-	-	90	-	-	-	90	-	90
At 31 December 2007	245,471	9,152	69	588	-	221,237	476,517	-	476,517

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CUMULATIVE QUARTERS AS AT 31/12/2008 RM'000	CUMULATIVE QUARTERS AS AT 31/12/2007 RM'000 (AUDITED)
Operating activities		
Profit before tax	97,739	80,186
Adjustments for :		
Share of profits of associate	(57,124)	(46,490)
Interest expense	9,378	13,907
Interest income	(1,496)	(2,123)
Non-cash items	26,714	24,192
Operating profit before working capital changes	<u>75,211</u>	<u>69,672</u>
Changes in working capital :		
Net change in current assets	(12,319)	5,752
Net change in current liabilities	16,292	5,543
Cash generated from operations	<u>79,184</u>	<u>80,967</u>
Interest paid	(9,378)	(13,907)
Taxes paid	(13,563)	(13,303)
Net cash generated from operating activities	<u>56,243</u>	<u>53,757</u>
Investing activities		
Equity investments	(26,764)	(38,955)
Other investments	(47,008)	(41,226)
Net cash used in investing activities	<u>(73,772)</u>	<u>(80,181)</u>
Financing activities		
Issuance of shares	102,280	1,450
Share issue cost	(1,097)	-
Purchase of treasury shares	(11,174)	-
Payment of dividends	(18,874)	(17,919)
Reduction in deposits pledged with licensed bank	5,952	8,912
Bank borrowings	(72,483)	43,757
Net cash generated from financing activities	<u>4,604</u>	<u>36,200</u>
Net change in cash and cash equivalents	(12,925)	9,776
Effects of foreign exchange rate changes	(759)	-
Cash and cash equivalents at beginning of year	42,001	32,225
Cash and cash equivalents at end of year	<u>28,317</u>	<u>42,001</u>
The cash and cash equivalents consist of the following:		
<i>Deposits with financial institutions</i>	14,571	31,438
<i>Cash and bank balances</i>	<u>13,746</u>	<u>10,563</u>
	<u>28,317</u>	<u>42,001</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)