New horizons, new growth.

Restaurant Brands New Zealand Limited

Interim Report 2018

We're on a steady, well-planned course.

With favourable conditions ahead.

We've big growth ambitions and are well on track to achieve them. Our acquisitions in Australia and Hawaii are part of a sharply focused strategy that will shift our company from being a domestic franchisee to being a multi-brand international business. It's exciting, and the prospects for controlled growth are significant.

Contents

Key points

- **Net Profit after Tax** for the 28 weeks ended 11 September 2017 (1H 2018) was $19.1 million (15.5 cents per share), up $5.6 million or +41.3% on the prior period (1H 2017).
- **Net Profit (excluding non-trading items)** was $20.2 million (16.4 cents per share), up $4.2 million or +26.5% on the prior period.
- **Total Group Sales** were $386.1 million, up 50.7% on the previous half year, with the bulk of the increase attributable to the Pacific Island Restaurants Inc. (PIR) acquisition in Hawaii and the full impact of the Australian operations which were acquired part way through 1H 2017.
- **Combined brand EBITDA** was up $17.7 million to $63.0 million with $12.7 million of the increase resulting from the PIR acquisition, the Australian KFC business accounting for a further $3.4 million and the New Zealand businesses driving the remaining $1.6 million.
- Directors have declared an **interim dividend** of NZ10.0 cents per ordinary share, up NZ0.5 cents on last year. The dividend is fully imputed and payable on 30 November 2017.

Restaurant Brands New Zealand Limited operates the New Zealand outlets of KFC, Pizza Hut, Carl's Jr. and Starbucks Coffee, together with KFC in Australia, and Pizza Hut and Taco Bell in Hawaii, Guam and Saipan. These brands – five of the world's most famous – are distinguished for their product, look, style, ambience, service and for the total experience they deliver to their customers in New Zealand, Australia, the US and around the world.

Group operating results

	1H 2018	1H 2017	Change ($)	Change (%)
Total Group sales ($m)	**386.1**	256.2	+129.9	+50.7
Group NPAT (reported) ($m)	**19.1**	13.5	+5.6	+41.3
Group NPAT (excl. non-trading) ($m)	**20.2**	15.9	+4.2	+26.5
Dividend (cps)	**10.0**	9.5	+0.5	+5.3

Directors are pleased to report that Restaurant Brands New Zealand Limited (RBD) has produced a first half unaudited net profit after tax for the 28 weeks ended 11 September 2017 (1H 2018) of $19.1 million (15.5 cents per share). This compares with a reported NPAT of $13.5 million (13.3 cents per share) for the prior half year.

After allowing for the impact of non-trading items the underlying NPAT was $20.2 million (16.4 cents per share), up $4.2 million or +26.5% on prior year.

Total brand sales for the Group were $386.1 million, up $129.9 million or +50.7% on 1H 2017 with the benefit of $88.9 million in sales from the recent Hawaiian acquisition (of PIR) effective from 7 March 2017, and strong performance in the KFC operations in Australia and New Zealand which delivered increased sales of $28.3 million and $12.8 million, respectively. Total operating revenue was $399.9 million, up $133.1 million on prior year.

Combined brand EBITDA at $63.0 million was $17.7 million (+39.1%) up on prior year, largely because of a $12.7 million contribution from the newly acquired Hawaiian operations.

The Board is pleased with the progress and integration of the three business units for the first six months of this new financial year, following completion of the Hawaiian business purchase in March 2017.

Restaurant Brands' store numbers at balance date totalled 297, comprising 168 in New Zealand, 82 in Hawaii and 47 stores in Australia.

NPAT (excluding non-trading items)

+26.5%

Total store sales

+50.7%

New Zealand operations

New Zealand operating revenue was $239.1 million, up $15.8 million or +7.1% on 1H 2017.

Total store sales were $225.4 million, an increase of $12.8 million or +6.0% on last year, delivering EBITDA of $39.7 million (17.6% of sales); a $1.6 million or +4.3% improvement on 1H 2017 driven mainly by the continued strong performance of the KFC business.

New Zealand operations produced an EBIT (before non-trading items) of $22.2 million, up 14.2% on the prior year.

KFC New Zealand

	1H 2018	1H 2017	Change ($)	Change (%)
Network sales ($m)	**180.8**	167.1	+13.7	+8.2
Network store numbers	**98**	97		
RBD sales ($m)	**170.3**	157.4	+12.9	+8.2
RBD store numbers	**92**	91		
RBD EBITDA ($m)	**35.0**	33.1	+1.9	+5.7
EBITDA as a % of sales	***20.5***	*21.0*		

Restaurant Brands' KFC New Zealand sales were $170.3 million, up 8.2% or $12.9 million on prior year with same store sales up 7.0%. Successful product promotions and the introduction of a delivery service in selected stores contributed to a strong first half sales performance.

Margins remained strong, albeit slightly down in percentage terms on the equivalent period last year, with an EBITDA margin of 20.5% of sales being delivered in the period. In dollar terms EBITDA totalled $35.0 million, up $1.9 million (+5.7%) on last year's result.

Both company-owned and total network store numbers increased by one to a total of 92 and 98 respectively with the opening of a new store in Rolleston in 2H 2017. Immediately after balance date, KFC opened a new format store in Fort Street Auckland. Especially customised for a central city environment with no drive-through facility, this store has significantly outperformed expectations and is expected to be the prototype for a number of similar central city stores.

"KFC New Zealand sales were $170.3 million, up 8.2% or $12.9 million on prior year"

Pizza Hut New Zealand

	1H 2018	1H 2017	Change ($)	Change (%)
Network sales ($m)	**54.9**	48.9	+6.0	+12.3
Network store numbers	**94**	90		
RBD sales ($m)	**22.9**	22.0	+0.9	+3.8
RBD store numbers	**34**	37		
RBD EBITDA ($m)	**2.0**	2.4	-0.4	-18.4
EBITDA as a % of sales	***8.6***	*11.0*		

Restaurant Brands' Pizza Hut store sales were up $0.9 million to $22.9 million, despite a reduction in the store network to 34 stores from further sales to independent franchisees. Same store sales from Restaurant Brands' stores were up 10.6%.

Restaurant Brands' Pizza Hut store earnings were $2.0 million (8.6% of sales), down $0.4 million or 18.4% on the equivalent period last year reflecting the cost pressures encountered in the first half of the year, particularly in relation to increased labour rates and ingredient costs.

Total Pizza Hut network sales climbed to $54.9 million for the half year, up $6.0 million (+12.3%) on prior year. Company owned store numbers reduced by one to 34 during the period. The number of independent franchisees has increased to 60, bringing the total network at balance date to 94 stores.

Negotiations with the franchisor, Yum! Restaurants International, on the establishment of a master franchise agreement for the New Zealand market are well advanced and expected to be concluded shortly.

Starbucks Coffee New Zealand

	1H 2018	1H 2017	Change ($)	Change (%)
Sales ($m)	**13.4**	13.8	-0.4	-2.6
EBITDA ($m)	**2.2**	2.2	+0.0	+0.4
EBITDA as a % of sales	***16.5***	*16.0*		
Store numbers	**23**	25		

Note: all Starbucks Coffee stores are RBD owned.

Starbucks Coffee saw same store sales growth over the period of +6.5%.

Total sales were down marginally on 1H 2017 by $0.4 million (-2.6%) to $13.4 million, reflecting the reduced store network to 23 stores, following the closure of the Aotea Square and Botany stores in Auckland.

Margins improved slightly with continuing sales leverage and store efficiencies. The brand achieved an EBITDA of $2.2 million (16.5% of sales), up slightly on 1H 2017.

Discussions between the company and franchisor concerning renewal options for the Starbucks Coffee franchise are currently in process.

Carl's Jr. New Zealand

	1H 2018	1H 2017	Change ($)	Change (%)
Sales ($m)	**18.8**	19.3	-0.5	-2.8
EBITDA ($m)	**0.6**	0.4	+0.2	+58.2
EBITDA as a % of sales	***3.0***	*1.8*		
Store numbers	**19**	20		

Note: all Carl's Jr. stores are RBD owned.

Progress continues to be made in building Carl's Jr. into a profitable, sustainable brand in New Zealand. Although sales were down 2.8% (-2.3% on a same store basis), this is a reflection of rolling over the new opening volumes for two stores opened in Christchurch last year, and strong sales driven by a higher level of promotional activity in the equivalent period last year. In contrast, the focus in the first half of 2018 has been on generating more profitable sales rather than driving sales through discounting and promotional activity. Accordingly EBITDA was $0.6 million (3.0% of sales), an increase of $0.2 million or +58.2% on last year.

Store numbers now total 19 following the closure of the Otahuhu store in 2H 2017.

Australia operations

In NZ$ terms the Australian business (operating the KFC brand) contributed total sales of $NZ71.9 million, EBITDA (after G&A expenses) of $NZ7.9 million and EBIT of $NZ4.5 million. These results are all significantly up on prior year, primarily because the acquisition of this business took place part way through 1H 2017.

KFC Australia

	1H 2018	1H 2017	Change ($)	Change (%)
Sales ($Am)	**66.7**	41.4	+25.3	+61.1
Store EBITDA ($Am)	**9.8**	6.9	+2.9	+43.2
EBITDA as a % of sales	***14.7***	*16.6*		
Store numbers	**47**	42		

In A$ terms total sales of the KFC business in Australia were $A66.7 million, up $A25.3 million (or +61.1%) on last year, reflecting both increased store numbers following the acquisition of the business assets of five stores at the start of this financial year, and the full impact of the acquisition of QSR Pty Limited which only became effective part way through 1H 2017. Same store sales are +5.8%.

Store EBITDA margins of $A9.8 million (14.7% of sales) are up A$2.9 million or +43.2% on last year.

As part of the Australian market expansion strategy, the company has negotiated the purchase of the business assets of a further 13 KFC stores in New South Wales, Australia at a total price of $A38.2 million. Of these seven have settled since balance date with a further six expected to settle in the third quarter. The purchases have been funded through bank debt facilities. With the successful completion of these transactions, together with the opening of a further new store early in the third quarter, the company-owned KFC store network in Australia will total 61 stores.

Hawaii operations

Restaurant Brands acquired PIR in Hawaii with effect from 7 March 2017 and the reported trading results are from that date. The Hawaiian business operates 82 stores under the Taco Bell and Pizza Hut brands.

Total sales in Hawaii in the period since acquisition were $US63.9 million with store level EBITDA of $US9.1 million generated equating to 14.3% of sales; in line with expectations at the time of purchase.

In NZ$ terms the newly-acquired Hawaiian operations contributed $NZ89.0 million in revenues, $NZ8.5 million in EBITDA (after G&A expenses) and an EBIT of $NZ5.4 million since acquisition.

Taco Bell Hawaii

	1H 2018	1H 2017	Change ($)	Change (%)
Sales ($USm)	**36.6**	–	+36.6	n/a
Store EBITDA ($USm)	**7.2**	–	+7.2	n/a
EBITDA as a % of sales	***19.7***	–		
Store numbers	**37**	–		

Taco Bell is a new brand for the Restaurant Brands Group and is performing well with total sales to date of $US36.6 million and store-level EBITDA of $US7.2 million (19.7% of sales). A strong promotional pipeline has helped drive solid sales.

The company has embarked on a store rebuild and refurbishment strategy for these stores in the same vein as was undertaken for the KFC business in New Zealand. The one store that has been significantly transformed to date is currently delivering same store sales growth of +60%.

Pizza Hut Hawaii

	1H 2018	1H 2017	Change ($)	Change (%)
Sales ($USm)	**27.3**	–	+27.3	n/a
Store EBITDA ($USm)	**1.9**	–	+1.9	n/a
EBITDA as a % of sales	***7.1***	–		
Store numbers	**45**	–		

The Pizza Hut business in Hawaii has integrated well into the Group's operations. There has been some margin pressure from participating in value-led marketing promotions together with some higher commodity costs and rising direct labour expense.

Total sales were $US27.3 million with store-level EBITDA of $US1.9 million.

As with Taco Bell, the company is embarked on an asset refurbishment strategy that will see a move away from the larger restaurants into smaller, more cost-effective delivery and carry out (delco) units.

Corporate and other

General and administration (G&A) costs were $18.5 million. The increase in the G&A cost base resulted from the Hawaiian acquisition ($4.0 million), the full impact of the Australian operations which were purchased part way through 1H17 ($1.0 million), and the new corporate structure established during the period to meet the demands arising from the changes in size and geography of the Group's operations. G&A as a % of total revenue was 4.6%.

Depreciation charges of $15.5 million for the half year were $4.0 million higher than the prior year, of which the Hawaiian business accounted for $3.1 million.

Financing costs of $2.7 million were up $1.3 million on prior year reflecting the higher borrowings required to fund the PIR acquisition.

Tax expense was $8.3 million, up $2.3 million on the prior year with higher reported profit levels. The effective tax rate of 30.2% reflects the increased proportion of profits that are generated off-shore, and the (one off) impact of non-trading items, with the rate on earnings excluding non-trading items at 29.8%.

Non-trading items

Non-trading expenditure for the half year was $1.3 million, a reduction of $1.1 million on prior year. This year's amount included transaction costs on the PIR acquisition and listing fees and legal costs relating to the dual listing of the company on the Australian Securities Exchange (ASX). These costs were partially offset by a realised FX gain arising from the forward contracts used in the PIR acquisition.

Cash flow and balance sheet

The composition of the Group's balance sheet has been impacted by the acquisition of PIR on 7 March 2017. This transaction, which was for a total purchase price of $NZ149.9 million (after settlement adjustments), was funded through cash raised from the issue of shares by a renounceable entitlement offer and private placement carried out in the previous financial year, together with additional debt facilities.

Bank debt at the end of the half year was consequently up to $133.1 million compared to $46.5 million at the previous year end. As at balance date, the Group had available bank debt facilities totalling $209.0 million in place. A further $A50 million facility with The Bank of Tokyo-Mitsubishi UFJ, Ltd. for the purpose of funding the KFC acquisitions in Australia was finalised after balance date.

Operating cash flows were up $6.9 million to $37.6 million reflecting the Group's increased profitability.

Net investing cash outflows at $115.4 million (versus $72.5 million last year) primarily reflect the impact of the PIR acquisition with a cash impact of $96.4 million (net of bank loans assumed as part of the transaction). Cash inflows for the period saw $0.4 million received from the sale of one Pizza Hut store.

Dividend

Directors have declared a fully imputed interim dividend of NZ10.0 cents per ordinary share (prior year NZ9.5 cents), payable on 30 November to all shareholders on the register on 10 November 2017. A supplementary dividend of NZ1.7648 cents per share will be paid to all overseas shareholders at the same time.

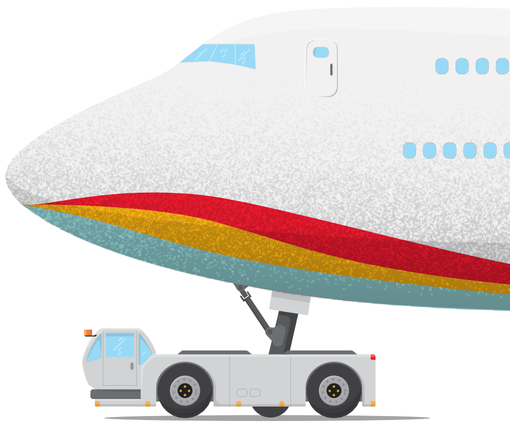
Directors have also approved the application of the recently constituted dividend reinvestment plan to this dividend. For those participating in the plan, shares will be issued in lieu of dividend at a discount of 1.5% to the pre-closing seven trading days NZX volume-weighted-average price (VWAP).

Outlook

The current strategies across all geographic markets are delivering positive results.

The acquisition of the Taco Bell and Pizza Hut brands in Hawaii has made a pleasing contribution in the first period of ownership, with the strong performance of the KFC brand in Australia and New Zealand expected to continue in the second half.

Directors believe that, absent any major changes to economic or market conditions, the Group will deliver a Net Profit after Tax (excluding non-trading items) for the FY18 year of around $40 million.



Consolidated income statement

for the 28 week period ended 11 September 2017

Group $NZ000's	2018 half year (28 weeks) 11 September 2017 unaudited	vs Prior %	2017 half year (28 weeks) 12 September 2016 unaudited
Sales			
KFC	170,307	*8.2*	157,417
Pizza Hut	22,862	*3.8*	22,023
Starbucks Coffee	13,425	*(2.6)*	13,784
Carl's Jr.	18,803	*(2.8)*	19,338
Total New Zealand sales	**225,397**	***6.0***	**212,562**
KFC	71,864	*64.8*	43,596
Total Australia sales	**71,864**	***64.8***	**43,596**
Taco Bell	50,950	*100.0*	–
Pizza Hut	37,919	*100.0*	–
Total Hawaii sales	**88,869**	***100.0***	**–**
Total sales	**386,130**	***50.7***	**256,158**
Other revenue	13,804	*29.0*	10,703
Total operating revenue	**399,934**	***49.9***	**266,861**
Cost of goods sold	(327,387)	*(51.2)*	(216,559)
Gross margin	**72,547**	***44.2***	**50,302**
Distribution expenses	(1,713)	*(13.4)*	(1,510)
Marketing expenses	(20,909)	*(42.5)*	(14,678)
General and administration expenses	(18,537)	*(70.3)*	(10,885)
EBIT before non-trading	**31,388**	***35.1***	**23,229**
Non-trading	(1,338)	*43.8*	(2,379)
EBIT	**30,050**	***44.1***	**20,850**
Net financing expenses	(2,687)	*(95.3)*	(1,376)
Net profit before taxation	**27,363**	***40.5***	**19,474**
Taxation expense	(8,277)	*(38.7)*	(5,967)
Total profit after taxation (NPAT)	**19,086**	***41.3***	**13,507**
Total NPAT excluding non-trading	**20,157**	***26.5***	**15,935**

Consolidated income statement (continued)

for the 28 week period ended 11 September 2017

Group $NZ000's	2018 half year (28 weeks) 11 September 2017 unaudited		vs Prior %	2017 half year (28 weeks) 12 September 2016 unaudited	
		% sales			*% sales*
EBITDA before G&A					
KFC	34,991	*20.5*	*5.7*	33,117	*21.0*
Pizza Hut	1,970	*8.6*	*(18.4)*	2,413	*11.0*
Starbucks Coffee	2,218	*16.5*	*0.4*	2,209	*16.0*
Carl's Jr.	557	*3.0*	*58.2*	352	*1.8*
Total New Zealand	**39,736**	***17.6***	***4.3***	**38,091**	***17.9***
KFC	10,592	*14.7*	*46.5*	7,230	*16.6*
Total Australia	**10,592**	***14.7***	***46.5***	**7,230**	***16.6***
Taco Bell	10,016	*19.7*	*100.0*	–	–
Pizza Hut	2,704	*7.1*	*100.0*	–	–
Total Hawaii	**12,720**	***14.3***	***100.0***	**–**	**–**
Total	**63,048**	***16.3***	***39.1***	**45,321**	***17.7***
Ratios					
Net tangible assets per security (net tangible assets divided by number of shares) in cents	(22.2)c			14.1c	

Cost of goods sold are direct costs of operating stores: food, paper, freight, labour and store overheads.

Distribution expenses are costs of distributing product from store.

Marketing expenses are call centre, advertising and local store marketing expenses.

General and administration expenses (G&A) are non-store related overheads.

Non-GAAP financial measures

for the 28 week period ended 11 September 2017 (2018 half year)

The Group results are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("GAAP") and comply with International Financial Reporting Standards ("IFRS"). These financial statements include non-GAAP financial measures that are not prepared in accordance with IFRS. The non-GAAP financial measures used in this presentation are as follows:

1. **EBITDA before G&A.** The Group calculates earnings before interest, tax, depreciation and amortisation ("EBITDA") before G&A (general and administration expenses) by taking net profit before taxation and adding back (or deducting) net financing expenses, non-trading items, depreciation, amortisation and G&A. The Group also refers to this measure as **Concept EBITDA before G&A**.

   The term **Concept** refers to the Group's stable of brands within the New Zealand (KFC, Pizza Hut, Starbucks Coffee and Carl's Jr.), Hawaii (Taco Bell, Pizza Hut) and Australia (KFC) geographic segments. The term **G&A** represents non-store related overheads.

2. **EBIT before non-trading.** Earnings before interest and taxation ("EBIT") before non-trading is calculated by taking net profit before taxation and adding back (or deducting) net financing expenses and non-trading items.

3. **Non-trading items.** Non-trading items represent amounts the Group considers unrelated to the day to day operational performance of the Group. Excluding non-trading items enables the Group to measure underlying trends of the business and monitor performance on a consistent basis.

4. **EBIT after non-trading items.** The Group calculates EBIT after non-trading items by taking net profit before taxation and adding back net financing expenses.

5. **Total NPAT excluding non-trading.** Total net profit after taxation ("NPAT") excluding non-trading items is calculated by taking profit after taxation attributable to shareholders and adding back (or deducting) non-trading items whilst also allowing for any tax impact of those items.

The Group believes that these non-GAAP measures provide useful information to readers to assist in the understanding of the financial performance and position of the Group but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with IFRS. Non-GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

Non-GAAP financial measures (continued)

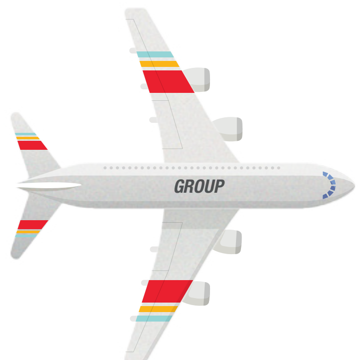
for the 28 week period ended 11 September 2017 (2018 half year)

The following is a reconciliation between these non-GAAP measures and net profit after taxation:

$NZ000's	Note*	2018 half year	2017 half year
EBITDA before G&A	1	**63,048**	45,321
Depreciation		**(15,490)**	(11,470)
Loss on sale of property, plant and equipment (included in depreciation)		**-**	(38)
Amortisation (included in cost of sales)		**(1,304)**	(1,392)
General and administration – area managers, general managers and support centre		**(14,866)**	(9,192)
EBIT before non-trading	2	**31,388**	23,229
Non-trading items**	3	**(1,338)**	(2,379)
EBIT after non-trading items	4	**30,050**	20,850
Net financing costs		**(2,687)**	(1,376)
Net profit before taxation		**27,363**	19,474
Income tax expense		**(8,277)**	(5,967)
Net profit after taxation		**19,086**	13,507
Add back non-trading items		**1,338**	2,379
Income tax on non-trading items		**(267)**	49
Net profit after taxation excluding non-trading items	5	**20,157**	15,935

* Refers to the list of non-GAAP measures as listed above.

** Refer to Note 3 of the interim financial statements for an analysis of non-trading items.



Statement of comprehensive income

for the 28 week period ended 11 September 2017 (2018 half year)

Group $NZ000's	Note	2018 half year (28 weeks) unaudited	2017 half year (28 weeks) unaudited	2017 full year (52 weeks) audited
Store sales revenue		**386,130**	256,158	497,179
Other revenue		**13,804**	10,703	20,370
Total operating revenue		**399,934**	266,861	517,549
Cost of goods sold		**(327,387)**	(216,559)	(421,872)
Gross profit		**72,547**	50,302	95,677
Distribution expenses		**(1,713)**	(1,510)	(2,764)
Marketing expenses		**(20,909)**	(14,678)	(28,107)
General and administration expenses		**(18,537)**	(10,885)	(20,364)
EBIT before non-trading		**31,388**	23,229	44,442
Non-trading	3	**(1,338)**	(2,379)	(5,063)
Earnings before interest and taxation (EBIT)		**30,050**	20,850	39,379
Net financing expenses		**(2,687)**	(1,376)	(2,291)
Profit before taxation		**27,363**	19,474	37,088
Taxation expense		**(8,277)**	(5,967)	(11,133)
Total profit after taxation attributable to shareholders		**19,086**	13,507	25,955
Items that may be reclassified subsequently to the Statement of Comprehensive Income				
Exchange differences on translating foreign operations		**(1,545)**	(4,252)	(2,575)
Share option reserve		**5**	–	–
Derivative hedging reserve		**492**	5	(1,303)
Income tax relating to components of other comprehensive income		**(275)**	(2)	367
Other comprehensive loss for the half year, net of tax		**(1,323)**	(4,249)	(3,511)
Total comprehensive income for the half year attributable to shareholders		**17,763**	9,258	22,444
Basic and diluted earnings per share from total operation (cents)	4	**15.5**	13.3	24.1

For and on behalf of the Board:

E K van Arkel
Chairman

H W Stevens
Director

Statement of changes in equity

for the 28 week period ended 11 September 2017 (2018 half year)

Group $NZ000's	Share capital	Share option reserve	Foreign currency translation reserve	Derivative hedging reserve	Retained earnings	Total
For the 52 week period ended 27 February 2017						
Balance at the beginning of the period	**26,756**	**–**	**53**	**(238)**	**49,046**	**75,617**
Comprehensive income						
Profit after taxation attributable to shareholders	–	–	–	–	13,507	13,507
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	(4,252)	–	–	(4,252)
Movement in derivative hedging reserve	–	–	–	3	–	3
Total other comprehensive income	**–**	**–**	**(4,252)**	**3**	**–**	**(4,249)**
Total comprehensive income	**–**	**–**	**(4,252)**	**3**	**13,507**	**9,258**
Transactions with owners						
Issue of ordinary shares	25,500	–	–	–	–	25,500
Share issue costs	(24)	–	–	–	–	(24)
Net dividends distributed	–	–	–	–	(12,859)	(12,859)
Total transactions with owners	**25,476**	**–**	**–**	**–**	**(12,859)**	**12,617**
Unaudited balance as at 12 September 2016	**52,232**	**–**	**(4,199)**	**(235)**	**49,694**	**97,492**
Comprehensive income						
Profit after taxation attributable to shareholders	–	–	–	–	12,448	12,448
Other comprehensive income						
Movement in foreign currency translation reserve	–	–	1,677	–	–	1,677
Movement in derivative hedging reserve	–	–	–	(939)	–	(939)
Total other comprehensive income	**–**	**–**	**1,677**	**(939)**	**–**	**738**
Total comprehensive income	**–**	**–**	**1,677**	**(939)**	**12,448**	**13,186**
Transactions with owners						
Issue of ordinary shares	93,869	–	–	–	–	93,869
Share issue costs	(2,715)	–	–	–	–	(2,715)
Net dividends distributed	–	–	–	–	(9,773)	(9,773)
Total transactions with owners	**91,154**	**–**	**–**	**–**	**(9,773)**	**81,381**
Audited balance as at 27 February 2017	**143,386**	**–**	**(2,522)**	**(1,174)**	**52,369**	**192,059**

Statement of changes in equity (continued)

for the 28 week period ended 11 September 2017 (2018 half year)

Group $NZ000's	Share capital	Share option reserve	Foreign currency translation reserve	Derivative hedging reserve	Retained earnings	Total
For the 28 week period ended 11 September 2017						
Balance at the beginning of the period	**143,386**	**–**	**(2,522)**	**(1,174)**	**52,369**	**192,059**
Comprehensive income						
Profit after taxation attributable to shareholders	–	–	–	–	19,086	19,086
Other comprehensive income						
Movement in share option reserve	–	5	–	–	–	5
Movement in foreign currency translation reserve	–	–	(1,545)	–	–	(1,545)
Movement in derivative hedging reserve	–	–	–	217	–	217
Total other comprehensive income	**–**	**5**	**(1,545)**	**217**	**–**	**(1,323)**
Total comprehensive income	**–**	**5**	**(1,545)**	**217**	**19,086**	**17,763**
Transactions with owners						
Net dividends distributed	–	–	–	–	(16,584)	(16,584)
Total transactions with owners	**–**	**–**	**–**	**–**	**(16,584)**	**(16,584)**
Unaudited balance as at 11 September 2017	**143,386**	**5**	**(4,067)**	**(957)**	**54,871**	**193,238**

Statement of financial position

as at 11 September 2017 (2018 half year)

Group $NZ000's	Note	2018 half year unaudited	2017 half year unaudited	2017 full year audited
Non-current assets				
Property, plant and equipment		**145,739**	128,811	124,379
Intangible assets		**220,531**	82,968	84,361
Deferred tax asset		**13,585**	8,363	10,325
Total non-current assets		**379,855**	220,142	219,065
Current assets				
Income tax receivable		**1,899**	–	–
Inventories		**11,449**	8,565	8,659
Trade and other receivables		**9,728**	4,849	4,273
Cash and cash equivalents		**8,701**	5,321	70,390
Assets classified as held for sale		**2,762**	–	–
Total current assets		**34,539**	18,735	83,322
Total assets		**414,394**	238,877	302,387
Equity attributable to shareholders				
Share capital		**143,386**	52,232	143,386
Reserves		**(5,019)**	(4,434)	(3,696)
Retained earnings		**54,871**	49,694	52,369
Total equity attributable to shareholders		**193,238**	97,492	192,059
Non-current liabilities				
Provision for employee entitlements		**690**	603	676
Deferred income		**8,708**	5,570	5,153
Loans	8	**123,724**	72,740	46,482
Total non-current liabilities		**133,122**	78,913	52,311
Current liabilities				
Income tax payable		**3,973**	2,648	3,647
Creditors and accruals		**71,021**	57,151	50,370
Provision for employee entitlements		**1,532**	1,294	1,301
Deferred income		**1,198**	1,053	1,065
Derivative financial instruments		**1,142**	326	1,634
Loans	8	**9,348**	–	–
Total current liabilities		**88,034**	62,472	58,017
Total liabilities		**221,156**	141,385	110,328
Total equity and liabilities		**414,394**	238,877	302,387

Statement of cash flows

for the 28 week period ended 11 September 2017 (2018 half year)

Group $NZ000's	2018 half year unaudited	2017 half year unaudited	2017 full year audited
Cash flows from operating activities			
Receipts from customers	**398,541**	266,231	515,257
Payments to suppliers and employees	**(349,336)**	(226,339)	(451,560)
Interest paid (net)	**(2,423)**	(1,304)	(2,318)
Payment of income tax	**(9,199)**	(7,935)	(13,471)
Net cash flows from operating activities	**37,583**	30,653	47,908
Cash flows from investing activities			
Acquisition of business	**(105,326)**	(63,905)	(63,905)
Payment for intangibles	**(1,374)**	(2,791)	(3,658)
Purchase of property, plant and equipment	**(9,090)**	(9,344)	(16,628)
Proceeds from disposal of property, plant and equipment	**414**	2,540	4,220
Landlord contributions received	**–**	961	961
Net cash flows from investing activities	**(115,376)**	(72,539)	(79,010)
Cash flows from financing activities			
Proceeds from non-current loans	**223,785**	230,668	446,116
Repayment of non-current loans	**(195,622)**	(172,685)	(415,365)
Share capital raised	**–**	–	93,869
Dividends paid to shareholders	**(16,584)**	(12,859)	(22,632)
Share issue costs	**–**	(24)	(2,739)
Net cash flows from financing activities	**11,579**	45,100	99,249
Net (decrease)/increase in cash and cash equivalents	**(66,214)**	3,214	68,147
Cash and cash equivalents at beginning of the period	**70,390**	1,093	1,093
Opening cash balances acquired on acquisition of QSR Pty Limited	**–**	1,457	1,457
Opening cash balances acquired on acquisition of Pacific Island Restaurants Inc.	**4,513**	–	–
Foreign exchange movements	**12**	(443)	(307)
Cash and cash equivalents at the end of the period	**8,701**	5,321	70,390
Cash and cash equivalents comprise:			
Cash on hand	**408**	307	310
Cash at bank	**8,293**	5,014	70,080
	8,701	5,321	70,390

Statement of cash flows (continued)

for the 28 week period ended 11 September 2017 (2018 half year)

The following is a reconciliation between profit after taxation for the period shown in the statement of comprehensive income and net cash flows from operating activities.

Group $NZ000's	2018 half year unaudited	2017 half year unaudited	2017 full year audited
Total profit after taxation attributable to shareholders	**19,086**	13,507	25,955
Add items classified as investing/financing activities:			
Gain on disposal of property, plant and equipment	**(98)**	(921)	(1,607)
FX gain on investing activities	**(873)**	–	–
	(971)	(921)	(1,607)
Add/(less) non-cash items:			
Depreciation	**15,490**	11,470	22,152
Disposal of goodwill	**–**	75	306
(Decrease) / increase in provisions	**(80)**	(59)	526
Amortisation of intangible assets	**2,335**	1,653	2,923
Impairment on property, plant and equipment	**–**	(39)	672
Net increase in deferred tax asset	**(1,333)**	(662)	(2,035)
	16,412	12,438	24,544
Add/(less) movement in working capital:			
(Increase)/decrease in inventories	**(1,914)**	413	336
Increase in trade and other receivables	**(4,369)**	(1,679)	(1,091)
Increase in trade creditors and other payables	**9,881**	8,199	88
Decrease in income tax payable	**(542)**	(1,304)	(317)
	3,056	5,629	(984)
Net cash flows from operating activities	**37,583**	30,653	47,908

Notes to the financial statements

for the 28 week period ended 11 September 2017 (2018 half year)

1. General information

Restaurant Brands New Zealand Limited ("Company" or "Parent"), together with its subsidiaries (the "Group") operate quick service and takeaway restaurant concepts in New Zealand, Australia, Hawaii, Guam and Saipan.

The Company is a limited liability company incorporated and domiciled in New Zealand.

Statutory base

The Company is registered under the Companies Act 1993 and is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

Reporting framework

The unaudited interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("IFRS") and other applicable New Zealand Reporting Standards as appropriate for profit oriented entities. The financial statements comply with International Financial Reporting Standards ("IFRS"). These policies have been consistently applied to all the periods presented, unless otherwise noted.

The Group has a negative working capital balance as the nature of the business results in most sales being conducted on a cash basis. The Group has bank facilities totalling $209 million (refer Note 8) and has the ability to fully pay debts as they fall due. At balance date the amount undrawn was $76 million.

These interim financial statements for the 28 week period ended 11 September 2017 have been prepared in accordance with NZ IAS 34, Interim Financial Reporting and should be read in conjunction with the financial statements published in the Annual Report for the 52 week period ended 27 February 2017 (referred to in these statements as "2017 Full Year"). They also comply with International Accounting Standard 34 Interim Financial Reporting (IAS 34).

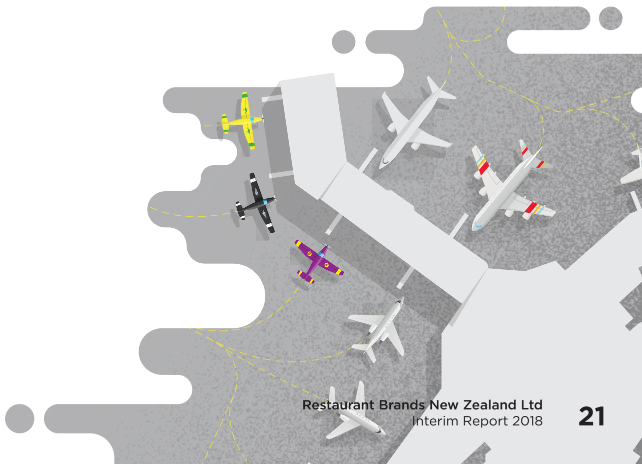
The Group divides its financial year into thirteen 4-week periods. These interim financial statements are for the first 7 periods (28 weeks) of the year ended on 11 September 2017 (2017: 28 weeks ended on 12 September 2016). The second half will be for 6 periods (24 weeks). The prior full year comparative represents the 52 week period ended 27 February 2017 (2017 Full Year).

To ensure consistency with the current period, comparative figures have been restated where appropriate. In addition, there has been a rationalisation of disclosures. Disclosures have been removed where they are considered duplicated or immaterial.

New standards and amendments

- *NZ IFRS 16 Leases* (effective for periods beginning on or after 1 January 2019) replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The Group intends to adopt NZ IFRS 16 on its effective date and is currently assessing its full impact.
- *NZ IFRS 15 Revenue from contracts with customers* (effective for periods beginning on or after 1 January 2018) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and related interpretations. The Group intends to adopt NZ IFRS 15 on its effective date and is not expected to significantly impact the Group as all store sales revenue is settled in cash at the point of sale.
- *NZ IFRS 9 Financial Instruments* (effective for periods beginning on or after 1 January 2018) addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 16 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. The Group intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact.

There are various other standards, amendments and interpretations which were assessed as having an immaterial impact on the Group.



2. Business segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

A new organisation structure was approved by the Board in March 2017, with the Group split into three geographically distinct operating divisions; New Zealand, Australia, and Hawaii. Leading these three geographic divisions is a new corporate division consisting of Group Chief Executive Officer (Group CEO) and Group Chief Financial Officer (Group CFO), who are focussed on driving and assessing global growth strategies, and are supported by a small corporate team. Each geographic division operates on a stand-alone basis, with each country's CEO reporting to the Group CEO.

The organisation restructure announced in March 2017 has resulted in a change in the chief operating decision maker, which affects the Group's segment reporting disclosure. Under the new structure the chief operating decision maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group CEO and Group CFO. The chief operating decision maker considers the performance of the business from a geographic perspective, being New Zealand, Australia and Hawaii (including Guam and Saipan) while the performance of the corporate support function is assessed separately.

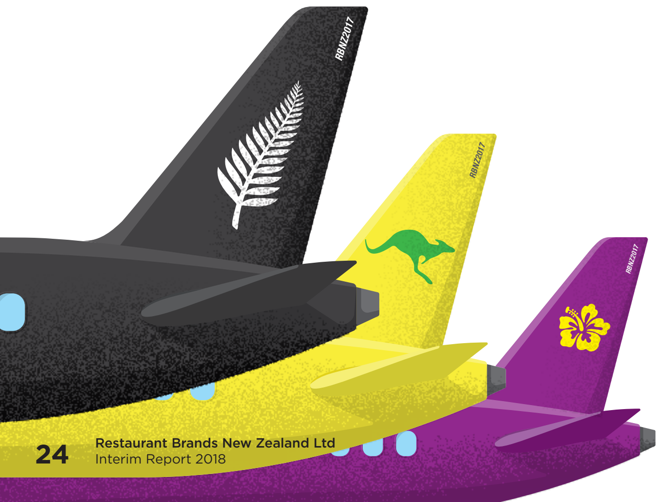
The Group is therefore organised into three operating segments, depicting the three geographic regions the Group operates in and the corporate support function located in New Zealand. All segments operate quick service and takeaway restaurant concepts. All operating revenue is from external customers. Prior year comparatives have been aligned to the geographic operating segments.

Notes to the financial statements (continued)
for the 28 week period ended 11 September 2017 (2018 half year)

2018 $NZ000's	New Zealand	Australia	Hawaii	Corporate support function	Consolidated half year unaudited
Store sales revenue	225,397	71,864	88,869	–	386,130
Other revenue	13,702	–	102	–	13,804
Total operating revenue	**239,099**	**71,864**	**88,971**	**–**	**399,934**
EBITDA before general and administration expenses	**39,736**	**10,592**	**12,720**	**–**	**63,048**
G&A – area managers, general managers and support centres	(7,180)	(2,692)	(4,207)	(787)	(14,866)
EBITDA after general and administration expenses	**32,556**	**7,900**	**8,513**	**(787)**	**48,182**
Depreciation	(9,155)	(3,242)	(3,093)	–	(15,490)
Amortisation (included in cost of sales)	(1,170)	(134)	–	–	(1,304)
EBIT before non-trading	**22,231**	**4,524**	**5,420**	**(787)**	**31,388**
Non trading costs					(1,338)
EBIT after non-trading					**30,050**
Current assets	19,423	6,762	8,344	–	34,539
Non-current assets	115,153	109,596	155,106	–	379,855
Total assets	**134,576**	**116,358**	**163,460**	**–**	**414,394**

2. Business segments (continued)

2017 $NZ000's	New Zealand	Australia	Hawaii	Corporate support function	Consolidated half year unaudited
Store sales revenue	212,562	43,596	–	–	256,158
Other revenue	10,703	–	–	–	10,703
Total operating revenue	**223,265**	**43,596**	**–**	**–**	**266,861**
EBITDA before general and administration expenses	**38,091**	**7,230**	**–**	**–**	**45,321**
G&A – area managers, general managers and support centres	(7,887)	(1,305)	–	–	(9,192)
EBITDA after general and administration expenses	**30,204**	**5,925**	**–**	**–**	**36,129**
Depreciation	(9,391)	(2,079)	–	–	(11,470)
Loss on sale of property, plant and equipment (included in depreciation)	(38)	–	–	–	(38)
Amortisation (included in cost of sales)	(1,316)	(76)	–	–	(1,392)
EBIT before non-trading	**19,459**	**3,770**	**–**	**–**	**23,229**
Impairment on property, plant and equipment					39
Other non-trading					(2,418)
EBIT after non-trading					**20,850**
Current assets	13,468	5,267	–	–	18,735
Non-current assets	125,317	94,825	–	–	220,142
Total assets	**138,785**	**100,092**	**–**	**–**	**238,877**



Notes to the financial statements (continued)
for the 28 week period ended 11 September 2017 (2018 half year)

2.1 Reconciliation between EBIT after non-trading and net profit after tax

Group $NZ000's	2018 half year unaudited	2017 half year unaudited	2017 full year audited
EBIT after non-trading	**30,050**	20,850	39,379
Net financing costs	**(2,687)**	(1,376)	(2,291)
Net profit before taxation	**27,363**	19,474	37,088
Income tax expense	**(8,277)**	(5,967)	(11,133)
Net profit after taxation	**19,086**	13,507	25,955
Add back non-trading items	**1,338**	2,379	5,063
Income tax on non-trading items	**(267)**	49	(451)
Net profit after taxation excluding non-trading	**20,157**	15,935	30,567

3. Profit before taxation

Group $NZ000's	2018 half year unaudited	2017 half year unaudited	2017 full year audited
Profit before taxation			
The profit before taxation is calculated after charging / (crediting) the following items:			
Royalties paid	**22,838**	15,010	29,152
Operating rental expenses	**21,522**	14,040	27,054
Net gain on disposal of property, plant and equipment	**(98)**	(921)	(1,607)
Non-trading items			
Gain on sale of stores			
Net sale proceeds	**(306)**	(402)	(1,555)
Property, plant and equipment disposed of	**56**	97	631
Goodwill disposed of	**–**	–	231
	(250)	(305)	(693)
Amortisation of franchise rights acquired on acquisition of QSR Pty Limited and PIR	**1,031**	261	580
Acquisition costs	**694**	2,733	3,864
ASX listing-related costs	**570**	–	–
Store closure costs	**166**	65	1,687
Realised FX gain on forward exchange contracts	**(873)**	–	–
Store relocation and refurbishment costs (including insurance proceeds)	**–**	63	63
Gain on sale and leaseback of stores	**–**	(438)	(438)
Total non-trading items	**1,338**	2,379	5,063

4. Earnings per share

Group	2018 half year unaudited	2017 half year unaudited	2017 full year audited
Basic and diluted earnings per share			
Profit after taxation attributable to shareholders ($NZ000's)	**19,086**	13,507	25,955
Weighted average number of shares on issue (000's)	**122,843**	101,410	107,797
Basic and diluted earnings per share (cents)	**15.5**	13.3	24.1

Shares on issue

As at 11 September 2017, the total number of ordinary shares on issue was 122,843,191 (2017: 102,871,090).

5. Property, plant and equipment

Acquisitions and disposals

During the half year ended 11 September 2017, the Group acquired assets with a total cost of $9.4 million (2017: $8.9 million) and disposed of assets with a total cost of $2.0 million (2017: $6.0 million). This excludes the assets of $27.3 million acquired following the acquisition of PIR in Hawaii and the business assets totalling $2.9 million of the five KFC Australia Stores (refer to Note 7).

6. Related party transactions

Transactions with entities with key management or entities related to them

During the period the Group made the following:

- Citywest Corp Pty Ltd, of which Company director Stephen Copulos is a director, received rental payments of $74,000 (2017: $205,000) from the Group, under an agreement to lease premises in Alexandria, New South Wales, Australia to Restaurant Brands Australia Pty Limited. The Alexandria premises was sold to an unrelated party in May 2017.
- Acquired services totalling $37,000 (2017: $15,000) from AsureQuality Limited, a company of which Company director Hamish Stevens is a director. There was no amount owing at balance date (2017: $3,100 owing).

Long term incentive scheme

On 28 August 2017, the Group established a Performance Rights Plan for the Group CEO, Russel Creedy, and Group CFO, Grant Ellis ("the executives").

Under the terms of the Plan if, in the five year period from the issue date of the performance rights, the Restaurant Brands closing share price is at or exceeds $NZ10.00 for 40 consecutive trading days the executives will be issued Restaurant Brands ordinary shares on a one-for-one basis on each performance right with no payment due to the Company. The executives must remain employed by Restaurant Brands until the share price target is achieved for the performance rights to vest.

The number of performance rights issued under the Plan are as follows:

	Number of performance rights
Russel Creedy	252,000
Grant Ellis	126,000
Total	**378,000**

The fair value of the performance rights at grant date is measured using the Monte Carlo valuation model, and on this basis each performance right is valued at $0.77.

7. Business combinations

Purchase of Pacific Islands Restaurants Inc.

On 7 March 2017 the Group acquired 100% of the shares of Pacific Island Restaurants Inc. ("PIR") for a net consideration of US$105 million. PIR is the largest operator of quick service restaurants across Hawaii and also operates in Guam and Saipan. The business has 82 stores and operates under the Taco Bell and Pizza Hut brands.

The US$105 million purchase price was partially funded through the issue of shares by a renounceable entitlement offer and private placement which was undertaken in the previous financial year, with the remainder funded through bank debt.

7. Business combinations (continued)

The following summarises the provisional assessment of the consideration paid for the company and the fair value of assets acquired and liabilities assumed at the acquisition date. Primary outstanding items relate to the finalisation of taxation and preparation of the completion balance sheet financial statements.

$NZ000's	
Purchase price	**149,936**
Less bank loans assumed	(58,890)
Plus settlement adjustments	5,316
Net consideration	**96,362**
Net consideration made up as follows:	
Cash paid	97,101
Completion refund due	(739)
Total net consideration	**96,362**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	27,320
Intangibles	17,140
Deferred tax asset	2,530
Stock	890
Cash	4,562
Other receivables	1,380
Bank loans	(58,890)
Current liabilities	(10,540)
Term liabilities	(4,598)
Other liabilities	(54)
Total identifiable assets and liabilities	**(20,260)**
Goodwill	**116,622**

PIR contributed $88.9 million in sales revenue and $2.5 million in profit after taxation attributable to shareholders in the period ended 11 September 2017.

Had PIR's results been consolidated for the 28 week period ended 11 September 2017, PIR would have contributed $91.8 million in sales revenue and profit after taxation attributable to shareholders of $2.7 million.

Purchase of KFC business assets

On 21 March 2017 the Group acquired the business assets of five KFC stores located in New South Wales, Australia. Two KFC stores were purchased from Samesa Pty Limited for a total purchase price of AU$2.2 million, while the other three KFC stores were purchased from Oshamma Pty Limited for a total purchase price of AU$6.4 million.

Both purchases were funded through a bank debt facility with ANZ Group which expires in March 2018.

The following summarises the consideration paid and the fair value of the assets acquired at the acquisition date.

$NZ000's	
Net consideration	**9,267**
Net consideration made up as follows:	
Cash paid	9,267
Total net consideration	**9,267**
Recognised amounts of identifiable assets acquired	
Property, plant and equipment	2,895
Other receivables	86
Intangibles	243
Total identifiable assets	**3,224**
Goodwill	**6,043**

8. Loans

The Group has loan facilities in place totalling NZ$209.0 million with the following financial institutions:

- Westpac Banking Corporation – NZ$125.0 million facility expiring 22 April 2019;
- First Hawaiian Bank – US$54.2 million facility expiring 16 December 2023; and
- ANZ Banking Group – AU$8.6 million facility expiring 15 March 2018.

The Group is subject to a number of externally imposed bank covenants as part of the terms of its loan facilities.

There have been no breaches of the covenants during the period (2017: no breaches).

9. Capital commitments

The Group has capital commitments totalling $2.7 million (2017: $3.4 million) which are not provided for in these financial statements.

Notes to the financial statements (continued)

for the 28 week period ended 11 September 2017 (2018 half year)

10. Contingent liabilities

There are no contingent liabilities that the directors consider will have a significant impact on the financial position of the Group (2017: nil).

11. Deed of Cross Guarantee

Pursuant to the Australian Securities and Investment Commission (ASIC) Class Order 98/1418, the wholly owned subsidiary, QSR Pty Limited (QSR), is relieved from the Corporations Act 2001 requirement for the preparation, audit and lodgement of financial reports.

It is a condition of that class order that Restaurant Brands New Zealand Limited (RBNZ) and QSR enter into a Deed of Cross Guarantee (Deed). On 9 February 2017 a Deed was executed between RBNZ, QSR, Restaurant Brands Australia Pty Limited and Restaurant Brands Australia Holdings Pty Limited under which each company guarantees the debts of the others.

12. Subsequent events

Purchase of KFC business assets

On 17 July 2017 the Group entered into a conditional agreement with Vida Rica Pty Limited to acquire the business assets of three KFC stores located in Sydney, Australia for a total purchase price of AU$10.7 million. The contract is expected to be settled by the end of December 2017.

On 28 August 2017 the Group entered into three conditional agreements with Kentucky Fried Chicken Pty Limited, a subsidiary of Yum! Restaurants International, to acquire the business assets of ten KFC stores located in New South Wales, Australia for a total purchase price of AU$27.5 million. The contract relating to seven KFC stores was settled on 16 October 2017, with the contracts for the remaining three stores expected to be settled by the end of December 2017.

The fair value of the assets acquired are still being determined and will be disclosed at the next reporting date.

Dividends

The directors have declared an interim dividend of 10.0 cents per share (2017: 9.5 cents) or $12.3 million (2017: $9.8 million). A supplementary dividend of 1.8 cents per share will be paid to overseas shareholders when the dividend is paid.

Bank facilities

On 12 October 2017 the existing Westpac bank loan facility was renewed on similar terms for a further three years, expiring on 12 October 2020.

On 12 October 2017 a new loan facility agreement for AU$50 million was entered into with The Bank of Tokyo-Mitsubishi UFJ, Ltd. for a term of three years, expiring on 12 October 2020.

Independent review report

To the Directors of Restaurant Brands New Zealand Limited

Report on the interim financial statements

We have reviewed the accompanying financial statements of Restaurant Brands New Zealand Limited (the Company) and its subsidiaries ("the Group") on pages 14 to 30, which comprise the statement of financial position as at 11 September 2017, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period ended on that date, and a summary of significant accounting policies and selected explanatory notes.

Directors' responsibility for the financial statements

The Directors are responsible on behalf of the Group for the preparation and presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditors of the Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

We are independent of the Group. Our firm carries out other services for the Group in the areas of other assurance services and executive remuneration benchmarking. The provision of these other services has not impaired our independence.

Independent review report (continued)

To the Directors of Restaurant Brands New Zealand Limited

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Group are not prepared, in all material respects, in accordance with NZ IAS 34.

Who we report to

This report is made solely to the Group's Directors, as a body. Our review work has been undertaken so that we might state to the Group's Directors those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
19 October 2017

Auckland

Corporate directory

Directors

E K (Ted) van Arkel (Chairman)
David Beguely
Hamish Stevens
Stephen Copulos
Victoria Taylor

Registered office

Level 3
Building 7
Central Park
666 Great South Road
Penrose
Auckland 1061
New Zealand

Share registrar

New Zealand
Computershare Investor Services Limited
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159 Hurstmere Road
Takapuna
Private Bag 92 119
Auckland 1142
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T: 64 9 488 8700
E: enquiry@computershare.co.nz

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Melbourne, VIC 3001
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T: 1 800 501 366 (within Australia)
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Auditors

PricewaterhouseCoopers

Solicitors

Bell Gully
Corrs Chambers Westgarth
Harmos Horton Lusk
Meredith Connell

Bankers

Westpac Banking Corporation
First Hawaiian Bank
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Australia and New Zealand Banking Group Limited

Contact details

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Financial calendar

Interim dividend paid

30 November 2017

Financial year end

26 February 2018

Annual profit announcement

April 2018

www.restaurantbrands.co.nz